FBIS DAILY REPORT

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MONTES BRIEFS AMBASSADORS ON BEAGLE DISPUTE

PY170114Y Buenos Aires TELAM in Spanish 2330 GMT 16 Jan 78 PY

[Text of communique issued by the Argentine Foreign Ministry in Buenos Aires on 16 January]

[Text] The meeting between the foreign relations and worship minister, Vice Adm Oscar A. Montes, and ambassadors accredited to the United Nations, the OAS and the member nations of the latter oganizations, was held today. The meeting was also attended by the Argentine charge d'affaires to the British Government.

During the meeting, the foreign minister discussed matters related to the position of the Argentine Government toward the ruling on the Beagle Channel, and issued the appropriate guidelines to the aforementioned heads of Argentine diplomatic missions.

VIDELA RESUMES VACATION AT CHAPADMALAL

PY161336Y Buenos Aires Domestic Service in Spanish 1030 GMT 16 Jan 78 PY

[Text] President Jorge Rafael Videla has resumed his vacation with his family in the Chapadmalal resort area. The president arrived Saturday evening in the presidential airplane Sucre F-2800 in company with his wife and a small delegation. The presidential airplane arrived at the Mar del Plata Airport on Saturday at 1639 in the military sector of the airport. Immediately after the welcoming ceremony, General Videla and his delegation left by automobile for the Chapadmalal resort.

EX-SENATOR, IN PARIS, SAYS REGIME ABDUCTED NUNS

PY162345Y Paris AFP in Spanish 1507 GMT 16 Jan 78 PY

[Excerpt] Paris, 16 Jan--In an interview published here today, former Argentine Senator Hipolito Solari Yrigoyen stated that the fate of "the two French nuns who were recently kidnaped in Buenos Aires seems to be obvious if we consider what I experienced in the hands of the Argentine Paramilitary Forces."

A Paris center-right weekly, LE POINT, published in today's issue an interview with the Radical Civic Union [UCR] Senator Solari Yrigoyen entitled "The Statement of a Missing Person" and written by Eugene Mannoni. The newspaper notes that Solari Yrigoyen was imprisoned like 15,000 fellow Argentines and is now in exile like another 200,000 Argentine citizens.

INTERIOR MINISTRY REPORTS ON DETENTIONS

PY131850Y Buenos Aires TELAM in Spanish 1544 GMT 13 Jan 78 PY

[Excerpt] Buenos Aires, 13 Jan--The Interior Ministry reports that 31 persons have been arrested and placed at the disposal of the Executive Branch since 23 December, 1977, while 4 persons were released and 4 Uruguayan citizens were expelled from the country.

MONTONEROS SAY REGIME FEARS FOREIGN NEWSMEN

PY162359Y Paris AFP in Spanish 1556 GMT 14 Jan 78 PY

[Text] Paris, 14 Jan--Juan Gelman, a leader of the Peronist-Montonero Movement (MPM), asserted here today that "there are military sectors in Argentina" which do not want the world football championship to be played in this country "in order to avoid the fact that the foreign press will report about the human rights violation being carried out by the dictatorship.

"Despite the control to which they will be submitted, the foreign reporters who will cover the world championship will undoubtedly report about the problem of human rights, which are constantly being violated in our country, where the agents of the military junta have carried out 10,000 murders and have kidnaped more than 15,000 people," added Gelman, who is the MPM's press secretary.

After stating that "there are also more than 18,000 people who are jailed without trial in Argentina and who are at the disposal of the Executive Branch," the MPM leader emphasized that "the junta will unleash a series of provocations in March, 1979, through the murdering of members of the MPM executive board who are in exile in Europe."

Gelman said: "Regarding this matter, the junta tried to attribute to us, in a clumsy maneuver, the kidnaping of Lucchino Revelli-Beaumont, a Fiat-France director, in April, 1977.

"The Argentine dictatorship will continue with its campaign of confusion and provocations both in the country's interior and abroad before, during and after the world championship in order to give a false image to the movements of the popular resistance against it.

"If reporters and foreign visitors are to run any risks during the world championship, they will not be caused by the popular resistance; on the contrary, they will be caused by the actions of the dictatorship itself because it is afraid that the international press will realize what is happening and consequently report it," Gelman added.

The MPM press secretary also indicated that "the junta wishes to prevent 'bothersome' reporters from attending the world championship and therefore the control is strict; a green identity card is granted those who have been approved and a red one for those who have been rejected. Already two Rome photographers have received the red card.

"It is very difficult for the Argentine junta to show that it does not violate human rights and for this reason it will wish to blame the MPM for bodies which appear and with the kidnapings which are carried out, manufacturing false documentation afterward such as the case of the two French nuns who were kidnaped in Buenos Aires by a paramilitary commando and the case of the murder of a high-ranking official of Peugeot-Argentina.

"Despite all these obstacles, the foreign press will be able to contact the Argentine resistance because the power, intelligence and cunning of our people must not be underestimated," concluded Gelman, who left for Rome this afternoon.

REPORTS, REACTION TO CONTINUING HUNGER STRIKES

Government Gives Strikers Deadline

PY171323Y La Paz Radio Cruz del Sur Network in Spanish 0200 GMT 17 Jan 78 PY

[From the "Facetas" program; presumed text of 16 January communique issued by the armed forces]

[Text] In order to protect the existence of the nation and with the intention of continuing the execution of the national democratization plan, the armed forces government of the nation makes the following announcement to the country:

1. It confirms all the terms of the agreement signed by His Eminence Cardinal Jose Clemente Maurer and the interior minister regarding the hunger strike.

2. It grants all guarantees to the citizens, political parties and social groups which realize their political activities in accordance with the laws in force and taking into account the supreme interests of the nation.

3. In accordance with the agreement signed by His Eminence Cardinal Jose Clemente Maurer and the interior minister of the armed forces government of the nation, those persons who are now on hunger strikes are given a deadline until 2400 today, 16 January 1978, to stop this activity. They are granted all necessary guarantees. Those who continue their strikes will be liable to punishment stipulated in the laws in force.

4. The armed forces government, using its legitimate powers, will impose the punishment established by the laws in force against groups or persons who, taking advantage of the political opening, are now involved in conspiring against the security of the state.

[dated] La Paz, 16 January 1978; [signed] Press and Information Secretariat of the Presidency.

Police Move Against Strikers

PY171232Y La Paz Radio Fides in Spanish 1130 GMT 17 Jan 78 PY

[Text] This is a summary of the events which took place early thismorning in La Paz. According to a news report, in an unexpected early morning operation uniformed policemen raided the University of La Paz, the newspaper PRESENCIA, the newsmen's union and the UN World Health Organization. [words indistinct] who are carrying our a hunger strike.

The operation began simultaneously at different sites at 0300. Police stated that they had government orders and then continued to move out the strikers against their will. The hunger strikers have been on a strike for 19 days, demanding a general political amnesty. Due to the physical weakness of some of the strikers, they had to be transfered in stretchers and ambulances to the police clinic.

The editors of PRESENCIA strongly resisted [words indistinct] humanitarian treatment of the strikers. The police tried to seize (?photographs) taken during the raid on the liberal Catholic newspaper, but reporters succeeded in keeping them.

Once the raid on the newspaper became known, the presidents of two Catholic and Protestant organizations from the United States, who have been here for 2 days to try to find a solution to the serious confrontation between the military regime and sectors (supporting) the strikers, came to the newspaper.

Last night, General Banzer's government held a cabinet meeting until late at night. Apparently, a decision was made during the meeting to use force in an effort to neutralize the growing strike movement, which has already extended to six cities and is winning the attention of world opinion.

Pro-Government Strike in La Paz

PY161803Y Paris AFP in Spanish 1732 GMT 16 Jan 78 PY

[Text] La Paz, 16 Jan--A general 24-hour strike in support of the military government has brought this city almost to a standstill. It was reported in La Paz that transportation service has stopped, as well as train and airline services. Consequently, thousands of workders could not report to work.

The strike was called by labor leaders who support the government and oppose the hunger strike involving 1,293 persons in several cities around the country who are demanding total amnesty for the exiled and persecuted, the rehiring of miners dismissed because of their political activities, and the withdrawal of troops from mining districts. Pickets stoned public transportation vehicles which dared to work this morning.

The strike began in La Paz at 0000 today and will last 24 hours. Then the strike will spread throughout the country in successive waves. Water, phone and telecommunication services will continue to operate normally. Newspapers did not come out this morning, but radio stations were on the air as usual. It was announced that there will be no movies and that most of the business shops will remain closed for the day.

The strike in support of the government was fully successful in La Paz, as could be attested by an inspection made by AFP throughout several areas of town this morning. Pickets prevented buses serving other cities from leaving town so that the metropolis of 680,000 people is practically besieged by strikers who support the military government.

Police vans rode around town to quell possible disturbances, but none occurred, it was reported. There were arguments among workers at the entrances of many factories, but the 24-hour strike is proceeding without further incident. The decision adopted by sectors which support the military government left this city practically paralysed, and many people had to go about their business on foot or by asking for rides with car drivers. The feverish bustle of the city on a Monday morning was stopped, and La Paz seemed to be continuing its quiet weekend.

Thousands of miners throughout the country who are working normally today announced that at 0000 on Tuesday they will go on a 24-hour strike in support of the hunger strikers who demand total political amnesty. The conflict created by the hunger strikers continued without solution despite the good offices of Julio Mantilla, president of the electoral court, who is acting as a mediator.

Mantilla pointed out that this serious situation must be solved quickly so that the country will be ready for the general elections called for 9 July. Negotiations to put an end to the conflict continue at several levels.

Support for Fasts Increases

PY170148Y La Paz Radio Cruz del Sur Network in Spanish 2330 GMT 16 Jan 78 PY

[Excerpts] Sources from the outlawed Mineworkers Federation of Bolivia, which has at least 50,000 members throughout the country, announced that there would be another series of work stoppages beginning tomorrow.

The tense political and social climate, only 5 months away from the first elections in Bolivia in more than a decade, began at the end of 1977 when the wives and children of exiled and dismissed workers began a hunger strike in the La Paz archbishopric. The children included in this group of persons are from 4 to 12 years of age and still remain with their parents at the strike site, but unlike their parents they are receiving food under medical supervision.

The relations between the church and government appear to have suddenly deteriorated after police agents arrested some 16 strikers in a church.

The passive support for the hunger strike in Potosi, carried out by students and administrative personnel of the Tomas Frias University in Sucre, is now in its 12th day in a Catholic church there. Today's reports from Potosi say that 148 persons are now fasting in support of the demands for total amnesty for political exiles and union activities.

Representatives from human rights organizations and the United Nations have begun arriving in Bolivia to try to find some solution to this problem, which is now 16 days old. Members of the Permanent Assembly of Human Rights in Bolivia said that about 1,500 persons in La Paz, Oruro, Cochabamba, Potosi, Sucre and Tarija are now involved with the hunger strikes.

Science and liberal arts professors from San Andres University lent their support to the hunger strikers in a document delivered to Radio Cruz del Sur. Until this problem is solved, the professors will not take into account research papers and other graded projects or partial and final exams during the present academic year. This move includes history, literature, education, language, sociology, and international studies professors. They support the four main points proposed by the groups conducting hunger strikes throughout the country.

MNR Supports Hunger Strikes

PY170103Y Paris AFP in Spanish 2135 GMT 16 Jan 78 PY

[Text] La Paz, 16 Jan--Former president Victor Estenssoro Paz's National Revolutionary Movement (MNR) proclaimed its support here today for the people who are carrying out a hunger strike in Bolivia, and it called upon its members to collaborate with and protect those who are carrying out this protest.

A communique signed by Guillermo Jauregui Guachalla and Edwin Rodriguez Aguirre, members of the MNR National Executive Committee, reported that the movement's membership is in a state of emergency "in order to give its full collaboration and protection to the strikers."

Presumably the operation carried out by the Santa Cruz police against a group of strikers in the San Jose Obrero Church on Friday was the event which unleashed the MNR's proclamation in favor of the hunger strike against official intransigence regarding the strikers' claims. The MNR termed the police operation a "monstrous attack which debases the political culture of official sectors to its lowest levels."

The communique added that the operation besmirches the armed forces government and then asserted "that abroad it will be seen as the most patent demonstration of the absence of human rights in Bolivia."

The MNR demanded the freedom of the Santa Cruz strikers who have been detained "because in view of the reigning political conditions in the country there is the fear that these people might disappear."

Finally, the communique formulated a call "for all political, civic and religious organizations not to maintain an indifferent attitude because of fear of official repression and also to give these heroic citizens their fullest protection."

Strike in Sucre Continues

PY1618452 Sucre Radio La Plata in Spanish 1630 GMT 16 Jan 78 PY

[Text] The hunger strike of approximately 300 university students at the law faculty of our university continues as of noon today. In this regard the International Red Cross in Sucre reported during the past few hours: The hunger strike carried out by San Francisco Xavier University students which began on Wednesday 11 January continues.

There are approximately 300 students, a figure which will be confirmed within the next few hours. Of this group, 34 are women, and the remainder are men. To date there were no more than two drop-outs, two boys who were hospitalized in Santa Barbara Hospital.

So far, three 500-cm containers of serum have been used on three girls and one boy because of their extreme debilitation. The strikers are only taking liquid such as coca tea, coffee, milk for women, mints and cigarettes.

Several students have been treated for dizziness, stomach aches, and were given sedatives.

The situation of the strikers is becoming critical and there is fear that there may be some deaths within the next few hours.

MINISTER SAYS NO OIL PURCHASES FROM MEXICO

PA161756Y Buenos Aires LATIN in Spanish 1315 GMT 16 Jan 78 PA

[By Marcelo Galan]

[Excerpt] Mexico City, 16 Jan (LATIN)--Brazil has dismissed the possibility of buying oil from Mexico. However, it will try to obtain a broad petrochemical cooperation agreement during the talks scheduled today between Presidents Geisel and Lopez-Portillo.

Angelo Calmon de Sa, Brazilian industry and commerce minister, told newsmen that Mexican crude is more expensive than Middle East crude, and for this reason the deal cannot be made. "The price of Mexican oil is higher than what we are paying other countries such as Saudi Arabia and Iraq for their oil," Calmon de Sa explained during President Geisel's visit to the Teotihuacan archeological site. "We hope that we can reach an industrial and commercial cooperation agreement from the conversations that our presidents will begin at noon today," Calmon de Sa added. The main aspects of the agreement will include petrochemicals, steel, naval and aeronautical cooperation, Calmon de Sa indicated.

The announcement that Brazil is not buying Mexican oil is in contrast with recent statements by Jose Andres de Oteyza, patrimony and industrial development secretary, when he expressed optimism over Mexico and Brazil reaching an agreement to exchange oil for iron. "Brazil is a large and rich country, but it does not have oil or coal, but Mexico can provide Brazil with those products and in turn Brazil can sell iron to Mexico, thus insuring Mexico's steel industry expansion," De Oteyza had said hopefully.

Calmon de Sa quoted the Brazilian mines and energy minister as saying that at present there was no advantage for Brazil to buy oil from Mexico. "The problem is the distance between our countries which makes it more difficult and increases transportation costs," he added.

The first round of talks between Geisel and Lopez-Portillo will be held today at the National Palace after Geisel attends a ceremony at the independence monument in Avenida Reforma, where he will place a floral wreath.

DETAILS GIVEN OF PLANS TO REPLACE AI-5

PY122334Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 11 Jan 78 PY

[Text] A political reform plan will be prepared by President Geisel and Gen Joao Baptista de Figueiredo during the second half of January and will be presented to Congress in mid-March. The plan will include three safeguards to replace AI-5: a state of siege, a state of emergency and a state of alert. In addition to eliminating AI-5, another proposal will suggest the granting of habeas corpus for political crimes, with a minimum time limit before it can be requested, and elimination of the rule whereby political mandates can be indefinitely cancelled, allowing those affected to return to political activity.

These amendments will be based on consultations being made by petronio Portella, which will resume after his visit to Mexico as a member of President Geisel's party. Portella will resume talks with members of civilian society, the MDB and the Brazilian Bar Association [OAB], but by then on the basis of concrete proposals.

The official position on measures needed to face crises is to use this classification: The state of siege would be enforced in cases of the threat of war or domestic upheaval bordering on civil war. In this case the creation of a state council to examine exceptional measures, such as the cancellation of mandates, would be contemplated; the state of emergency would cope with student demonstrations and strikes; and the state of alert would cope with terrorism. In the latter case, a safeguard would allow the determination of guilt before granting habeas corpus.

As part of these amendments, a review of the present national security law will also be considered, aimed at introducing more leniency and uniform penalties. Changes in the press law to eliminate censorship and to demand more press responsibility will also be considered.

The government, meanwhile, rejects the possibility of a broad amnesty, changes of electoral dates or reformulation of the so-called "April package" as far as indirect election of governors and senators and access to radio and television are concerned.

GENERAL STRESSES HUMAN RIGHTS IN SPEECH

PY1615O5Y Rio de Janeiro O GLOBO in Portuguese 13 Jan 78 p 6 PY

[Excerpts of speech by Gen Samuel Alves Correa upon taking command of III Army at Porto Alegre on 12 January 1978]

[Excerpts] I will continue to honor the dearest traditions of our armed forces and of our people regarding respect for human dignity--traditions so infamously distorted by the stubborn detractors of our most respected institutions and by irresponsible misrepresentation of the truth.

As much as possible, I will focus my actions upon the prevention rather than repression of subversive activities, because I have faith in the effectiveness and in the positive results of action through explanation, advice and precaution taken by those who have responsibility for containing subversion. I will not change my conviction of how to fulfill my duty even if I do not obtain the results we all desire.

I am not stressing the question of respect for human rights just because the subject is drawing so many commentaries at this time. I do so because Brazil is a signatory of the human rights charter, and also because one of the Brazilian Army's traditions has always been respect for human rights of all citizens.

We will continue to fight subversion because it is still there in a latent state, but by stressing the importance of prevention. However, I will not hesitate to act firmly when it becomes necessary.

FORMER PRESIDENT QUADROS APPROVES OF FIGUEIREDO

PY140140Y Paris AFP in Spanish 2355 GMT 13 Jan 78 PY

[Text] Sao Paulo, 13 Jan--It was reported in Sao Paulo today that former president Janio Quadros has approved of the nomination of Gen Joao Baptista Figueiredo to succeed Gen Ernesto Geisel in the Brazilian presidency. Janio Quadros, who headed the Brazilian Government during the period 31 January to 25 August, 1961, indicated that "the first duty of the next Brazilian president will be to promote the union of all Brazilians to make up a single family."

Quadros said that he was not surprised at General Figueiredo's nomination to succeed Geisel, but he emphasized that he hopes the future president "will be capable of great actions," since it is no longer possible for "infantile mortality to continue growing, for salaries to be inadequate to keep bread and beans at the table, for national industry to be unable to survive because of foreign industry, and for anyone who wants to offer a little of his experience and good will to be considered subversive and a communist."

Janio Quadros concluded that he has no political intention and does not even expect an amnesty because he does not want to be taken for a criminal.

This former president lost his political rights when the military overthrew Joao Goulart's government on 31 March, 1964.

GEISEL SETS ARENA CONVENTION FOR MARCH

PY130242Y Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Jan 78 p 4 PY

[Excerpts] President Geisel has decided to set the second half of March for the ARENA national convention to approve Gen Joao Baptista Figueiredo and Governor Aureliano Chaves as candidates for the presidency and vice presidency.

The decision includes postponing until the end of March of the replacement of state governors. According to official sources, the decision is designed to allow the president and his appointed successor to jointly study the situation in the states, so that they may intervene in cases where agreement and reconciliation become difficult. It is said that one reason for the postponement is that Sao Paulo Governor Paulo Egydio Martins wants to solve the problem this week when he visits Brasilia.

The decision to set the ARENA convention for the second half of March was made and transmitted to his advisers by President Geisel yesterday afternoon over the opposition of some ARENA circles which wanted it to be held earlier, in the second half of February.

Sources tried to make it clear that neither President Geisel nor his candidate for the presidential succession intend to interfere in the state succession for personal reasons. The idea, they say, is to reach a solution of unity, because the objective is to strengthen the bases of support for the government, aiming first at the congressional elections and then at the reorganization of the party.

MDB KEEPING LOW PROFILE DURING ARENA IN-FIGHTING

PY170220Y Rio de Janeiro O GLOBO in Portuguese 16 Jan 78 p 3 PY

[Excerpts] Brasilia--MDB Secretary General Thales Ramalho, stated yesterday that his party "must wait for the results of the discussions which are taking place within the ARENA, both at the national and the regional level, because many times even the absolutely unexpected and improbable may happen in politics."

He said: "I am not speaking on behalf of the MDB because it is the job of its executive organs. However, my personal opinion is that the MDB must wait for the results of ARENA's national and state conventions before starting to prepare its strategy for November's congressional elections.

Thales Ramalho stated that the MDB "does not remain indifferent to the latest political developments, but has, as some have been saying, been given no room on the stage, because in this play [presumably referring to presidential succession] the entire nation has remained offstage, including ARENA and one of its presidential candidates, Senator Magalhaes Pinto."

In the meantime, according to Thales Ramalho, his party "is using its regional and municipal executive boards to set into motion its grassroots throughout the country toward the defense of the principles which are part of the party program, and for a campaign in favor of a national constituent assembly which is the only way to reestablish a constitutional order, made legitimate by the will of the people."

The MDB secretary general also stated that MDB President Ulysses Guimaraes will attend four public rallies this week, thus continuing the campaign for the constituent assembly. On the 18th Guimaraes will go to Vitoria (Espirito Santo); on the 19th to Campos (Rio de Janeiro); on the 20th to Belo Horizonte (Minas Gerais) and on the 21st to Juiz de Fora (Minas Gerais).

Deputy Thales Ramalho stressed that the MDB will establish its strategy for the campaign for the November elections, only after getting the results of ARENA's conventions, including their federal convention "which, due to the clash between Senator Magalhaes Pinto and Gen Joao Baptista de Figueiredo, may result in development capable of upsetting the present picture."

Thales Ramalho stressed that in addition to this, the bitter race for the state governorship between the various ARENA factions "may yield some electoral advantages for the opposition because the discontent of those who come out losers may divide the government party even further."

According to the secretary general, "the MDB will have no problems in finding candidates for senate elections." He added that the party "is facing no problems in finding names; quite the opposite, and it can produce the candidates quite easily because its ranks have become filled with people of great nationwide prestige."

SEVERO GOMEZ COMMENTS ON MAGALHAES CAMPAIGN

PY130155Y Paris AFP in Spanish 0021 GMT 13 Jan 78 PY

[Text] Rio de Janeiro, 12 Jan--Augusto Severo Gomes, former industry and commerce minister for the current government, stated here today that Senator Magalhaes Pinto's candidacy for the presidency is the last chance to fight for the redemocratization of Brazil. Gomes criticized the army commanders' support for Gen Joao Baptista Figueiredo, President Geisel's candidate, because "the military is forbidden to speak about politics."

In his remarks Gomes admitted that he can accompany Magalhaes Pinto in his campaign, but pointed out that it would be better to establish some contact with the government party, the National Renewal Alliance [ARENA], before being appointed candidate for the vice presidency.

The former minister said that "all democrats in the country who are really sincere and courageous must be united to support Magalhaes' candidacy," which from his point of view is the last chance to democratize the country.

Severo Gomes indicated that there are many obstacles to Magalhaes' candidacy and stated that "the senator's struggle is a box full of surprises and obstacles which are created every day." He added that "today we are witnessing an unprecedented event in the country's history. Generals are making remarks supporting a given candidate in an election dispute." Gomes feels that Magalhaes' presence at ARENA's convention to nominate the next president will coincide "with a great change of public opinion, an awakening to awareness," and hoped that "we will have a great surprise even though we have to fight against well-known adversaries."

DOCUMENT ON 1978 ECONOMY APPROVED BY GEISEL

PY161725Y Rio de Janeiro O GLOBO in Portuguese 13 Jan 78 p 22 PY

[Excerpts] President Geisel approved yesterday a document titled "Directives and Priorities" for the economy of 1978. This document was prepared by the planning, finance, industry and commerce, agriculture, and interior ministers. It reveals that our foreign reserves by the end of 1977 amounted to $7.2 billion, which, according to the ministers, "is a record since on 31 December, 1973, before the effects of the oil crisis were felt, our foreign reserves only totaled $6.4 billion."

Planning Minister Velloso pointed out that the expectation of monetary authorities that the country will be in a better situation by the time the next government takes over, is based on the fact that we have accumulated "a record amount of monetary reserves in the country, as well as on the fact that there has been a decline in foreign participation in investments in the country. In 1974, the share of foreign investments was 27 percent but this dropped to only 10 percent last year. He added: "The trend is toward a continual decline." He observed, however, that foreign indebtedness continues to climb, although at a slower rate than exports; and that the balance of payments is doing better.

According to Velloso, manufacturing industries reacted accordingly by the end of the year, growing by 14.8 percent in November as compared to November, 1976. Growth during the past 12 months was 3 percent above the same preceding period. Expansion of the means of payments in 1978 is expected to be 23 percent, just as anticipated for 1977. However, by the middle of 1977, Minister Mario Henrique Velloso had to recalculate it upwards to 35 percent. And in the last estimate presented by the finance minister that expansion had gone up by 37 percent.

Objectives for 1978 are those included in the II National Development Plan: increased oil production; self sufficiency in basic materials; import substitutions; expanded alcohol program aimed at producing three billion liters; strengthening of national private enterprise; support for the development of the Polonordeste, Polocentro and Poloamazon programs; fuel rationing; and industrial decentralization.

Investment programs for PETROBRAS, SIDEBRAS and other basic material industries should amount to 93 billion cruzeiros, an increase of 70 percent over last year. The BNDE [National Economic Development Bank] credit-loan program should total 69.5 billion cruzeiros, 56 percent more than last year.

Of this amount, 28.6 billion cruzeiros should go into basic material production, 3.7 billion for basic equipment; and 20 billion cruzeiros for FINAME [Fund for the Financing of Machinery and Equipment].

PINOCHET TO VISIT BEAGLE AREA THIS MONTH

PY162259Y Buenos Aires LATIN in Spanish 2200 GMT 16 Jan 78 PY

[Text] Santiago, Chile, 16 Jan--President Augusto Pinochet will travel at the end of the month to the Beagle Channel area which is claimed by both Chile and Argentina.

Mario Rios, government secretariat under secretary, said the chief of state would visit the country's 10th, 11th and 12th regions during his southern tour. The 12th region includes the Beagle Channel. Rios said the presidential trip had been planned some time ago.

The evening newspaper EL VESPERTINO said it was possible that Pinochet will be in the southern region on 2 February--the deadline for Argentina's response to the British arbitral decision which awarded Chile sovereignty over Picton, Lennox and Nueva Islands in the Beagle Channel.

Official sources said president Pinochet will take part in several acts in the city of Punta Arenas, where he will inaugurate warehouses in the free-port zone as well as other public works.

NAVY ENGAGES IN ROUTINE MANEUVERS

PY161855Y Santiago Chile Domestic Service in Spanish 1630 GMT 16 Jan 78 PY

[Text] The navy is carrying out maneuvers. Naval ships left Valparaiso early this morning for the Juan Fernandez Islands, 370 miles from Valparaiso.

The naval units are under the command of Rear Adm Raul Lopez Silva and, according to an official report, will carry out maneuvers aimed at maintaining well-trained naval personnel.

The report also states that 3 ambassadors and a high-ranking official from carabineros were specially invited and are on board the cruiser Captain Prat. They are: FRG Ambassador Erich Straetling, U.S. Ambassador George W. Landau, Spanish Ambassador Luis Arroyo Aznar and the carabineros personnel director, Gen (Enrique Arias Gonzalez).

When the cruiser Prat left Valparaiso Bay it was escorted by destroyers, frigates and other ships which later carried out naval maneuvers in the littoral and near the Juan Fernandez Islands.

RECENTLY CREATED POLITICAL MOVEMENT ANNOUNCES PLATFORM

PA142014Y Paris AFP in Spanish 2332 GMT 12 Jan 78 PA

[Text] Bogota, 12 Jan--The recently created National Renovation Movement [MRN], led by retired Gen Alvaro Valencia, today revealed here its political platform, which advocates Colombian diplomatic relations with all countries in the world. The platform also includes goals such as the reassertion of Colombian nationality in its humanistic context.

Other points incorporated into the program are the following: political parity with all the countries in the world; utilization of the country's national resources, within a context of full sovereignty, for the purpose of national development; encouragement of a national culture--independent, vigorous, in harmony with the world but proud in the creation of values according to the national spirit; and just terms for international exchange and cooperation, rejecting all open or concealed forms of domination, regardless of the source.

In the social field the MRN calls for a greater equality, justice in the distribution of income, human coexistence, full observance of human rights and the exercise of freedom within the law. The MNR platform also mentions the common good as the supreme goal of the state and the struggle for an authentic democracy that will carry out a philosophy of a consensus of wills in order to exist within a state of law, justice, freedom and the full observance of the law.

Valencia Tovar Interviewed

PA120409Y Panama City Televisora Nacional in Spanish 0230 GMT 11 Jan 78 PA

[Interview with retired Colombian Gen Alvaro Valencia Tovar by Televisora Nacional news director Mario Velasquez; broadcast on "Enfoques" program--live or recorded]

[Excerpt] [Question] We recently learned of a communique issued by the armed forces, by the high military commands, in which problems such as subversion, violence and crime were analyzed and in which a request was made that certain measures be taken. I understand this document was personally delivered to President Lopez Michelsen. After reading this document--which was quite extensive--I felt quite concerned since, with a certain amount of keen sight and skepticism, I seemed to read something hidden between its paragraphs. What, in your opinion, would be the possibility of the armed forces ever seizing power again in Colombia in view of the worsening of several social problems?

[Answer] I personally do not believe in the possibility of an intervention by the armed forces in the government. Colombia has a very deep tradition of civilian rule which over the past few years has become even more pronounced because of the experiences of the military period in the 1950's.

Furthermore, it is part of a philosophy. It is not only that the Colombian military abstains from political interventions because the already existing democratic government has been in line with the nation's historical development, but more because we military-men have always believed--and I believe that they continue to believe so--that in Colombia the role of the armed forces is not to supplant the state but to invigorate it, to help it to fulfill its role the best way possible so as to avoid military coup, the continuous intervention of the armed forces in public administration, which affect the state's stability.

It is difficult to think that an armed forces can respond to the aspirations of an entire nation, especially when there are acute and long-standing problems. Because of this, I believe that the document was more than anything else a move to request certain extraordinary powers that would allow the state in general, not just the military forces, to better manage the problem of violence to which you have been referred.

[Question] Tell me General: Do you consider that the Colombian Armed Forces are committed to the traditional political structure--the Liberal and Conservative parties?

[Answer] Not exactly. I think that the armed forces of Colombia have respected the republican evolution as it has taken place. It is a fact that Colombia is perhaps Latin America's only country which has had two political parties practically since it started its independent life. This gives them very particular characteristics within the framework of Colombia's politics. But I think that if a third party--or any other parties--came about, the armed forces would abstain from participation in their formation or control, leaving that up to Colombian politicians. At present, the two parties are deeply divided internally, to the point that it is conceivable that another party could arise from this division. However, the military forces have not intervened one way or the other regarding this possibility.

[Question] Are you attempting to present yourself to the Colombian people as an alternative to these two parties?

[Answer] I have always believed in the people choosing their own rulers. Therefore, rather than presenting myself as an alternative, I have offered the people of Colombia an alternative which is not exactly a third party. I believe that the strength of the historic parties does not indicate a possibility that a third party may arise for the moment and I do not consider the idea of the emergence of a third party as advisable. Rather than that, I think that the polarization of which we were speaking earlier in connection with the historic parties could encompass a change and, to a certain point, a solution. The two-party national front put an end to the opposition's democratic participation, and this is the reason both parties have been simultaneously weakened. This leads one to think that a suprapartisan alternative which does not go against the historic parties but which rather provides an opening for this pause could be a good solution for the present period in Colombia.

GOVERNMENT LIMITS POLITICAL PROGRAMS ON TELEVISION

PA132156Y Bogota Radio Cadena Nacional in Spanish 1730 GMT 13 Jan 78 PA

[Text] All television programmers protested to the Ministry of Communications over the limitations on political reports on television programs. The director of the National Radio and Television Institute yesterday summoned all programmers to tell them that as of 1 February, political programs would be limited. All programmers protested in view of the fact they have commitments for the presentation of candidates Belisario Betancur, Julio Cesar Turbay Ayala and Carlos Lleras Restrepo for the next few days.

In the face of these protests, the government said that it would limit political time on television and above all, it would see to it that participants in these timeslots do not attack the other candidates running in the forthcoming presidential campaign.

TRADE UNION REGAINS LEGAL STATUS

PA142024Y Bogota EL TIEMPO in Spanish 12 Jan 78 p 2a PA

[Article by Raul Chacon Z.]

[Text] Barrancabermeja, Colombia, 11 Jan--The Workers Labor Union [USO], the highest body representing the workers of the Colombian Petroleum Enterprise [ECOPETROL], today regained its legal status after a 5-month suspension. The government measure prompted USO leaders to call a joint meeting for Thursday afternoon to begin preparations to elect a new board of directors.

USO was penalized by the Labor Ministry for promoting illegal 1-hour strikes at ECOPETROL's installations on 26 July and 5 August last year. Initially, the government suspended the union's legal status for 60 days, but USO then sponsored an indefinite strike and the suspension was extended to 90 days. The measure went into effect on 11 August.

ANAPO LEADER FROM MAGDALENA SUPPORTS BETANCUR

PA142346Y Bogota Radio Cadena Nacional in Spanish 1730 GMT 14 Jan 78 PA

[Excerpt] Vicente Martinez Caballero, Nationalist Popular Alliance [ANAPO] leader from Magdalena and former senator, has expressed his support for the presidential candidacy of Belisario Betancur, thus initiating the orthodox ANAPO's process of endorsing the candidate. The former senator predicted that party leader Maria Eugenia Rojas de Moreno Diaz would adopt the same line. I am certain that Maria Eugenia Rojas de Moreno Diaz will spearhead his candidacy to form a new fatherland in which social justice will prevail, he said in a statement promising to work actively for the candidacy of the former minister from Antioquia.

PRESIDENT THANKS DIPLOMATIC CORPS FOR GREETINGS

PA170420Y Paris AFP in Spanish 0151 GMT 17 Jan 78 PA

[Text] Bogota, 16 Jan (AFP)--The diplomatic corps accredited in Colombia today presented its new year's greeting to Colombian President Alfonso Lopez Michelsen. The greeting was expressed by Apostolic Nuncio Msgr Eduardo Martinez Somalo, dean of the diplomatic corps, at the San Carlos Palace. In brief speeches, the president and the apostolic nuncio emphasized the difficulties the world is experiencing. Nevertheless, they stressed that "never before has peace been sought as much as it is today."

President Lopez Michelsen referred to the energy, food and population explosion crises, praising the efforts in the "search for a new economic system that will permit the extension of social benefits to all mankind." He noted that Colombia has proposed an international conference on inflation, which is considered a universal problem. "A seminar," he added, "could also be convened to discuss unemployment, administrative immorality and the disintegration of the family. The increase of crime is not confined to any one country but is the result of a universal problem due to a disregard of the traditional ethical patterns. Crime must be fought without respite not only with punishment but by going to its roots, having the courage to maintain what must be maintained and having the wisdom to change what must be changed because it is useless and anarchronistic."

PAPER REJECTS CHANCES OF COUNTERREVOLUTIONARY VICTORY

PA1316111Y Lima EXPRESO in Spanish 4 Jan 78 p 3 PA

[Editorial: "The Right Answer"]

[Text] At the beginning of his last press conference President Gen Francisco Morales Bermudez said: "I think no question should be left unanswered." And that is the way it was. He answered all questions without evasions. Naturally, he had to reply to some questions which appeared to have difficult answers. Others were painless. Some were unimportant and, of course, some were absurd. In the latter class we include the one which suggested an impossible situation: that there may be a majority in the constituent assembly--where the legitimate representatives of the people will be present--which will act against the people's interests.

The question was about "the impossible possibility" that the constituent assembly would be overrun by a "counterrevolutionary majority." We say impossible because, as is known, the nation's most significant parties have repeatedly proclaimed their revolutionary character. Some of them even define themselves as revolutionary, nationalist and anti-imperialist.

Let us review some examples. APRA [American Revolutionary Popular Alliance], as its name indicates, is an "American Revolutionary Popular Alliance." Popular Action is a party which has defined itself as "nationalist, democratic and revolutionary." Have not important leaders declared that the fundamental reforms of the process are irreversible? We could continue down the list of the main national political organizations, but we feel that none--not even those which can be labeled as conservative--would try, for example, to return Talara to foreign hands or to return lands to large landholders, just to cite two examples. This is firm evidence of the revolutionary and profound change that has occurred in our country from 1968 to the present.

Naturally, just as important as the parties are the mass organizations--peasants and workers--which can freely participate in the coming elections and can elect the representatives they choose. Can it be imagined that any worker or peasant would be against his own class interests? The answer is obvious.

That is why we said the question was absurd and the president's reply referred, naturally, to this absurdity. The fact is that there is no possibility that a "counterrevolutionary" majority will win.

Who would the counterrevolutionaries be? The Falangists? The fascists? Are there serious parties in Peru which would allow themselves to be called reactionaries? We think not.

That is the truth and that is why the local proverb applies: "Let he whom the glove fits, wear it." The few who think or feel that they are counterrevolutionaries, of course, would be included in the presidential statement. They are a tiny minority.

Political parties and mass organizations, which have had the sympathy of a considerable sector of the people, cannot feel thay they were alluded to by the newsman's question and the chief executive's accurate reply.

The 100 best men of Peru, those who will go to the constituent assembly, should continue the historic and revolutionary legacy of a formerly exploited people, a people whose chains began to be broken in 1968 when, following their own principles and the best of the Peruvian parties' political principles, the armed forces initiated a revolution which has yet to conclude.

In fact, it is to guarantee the continuation of the process that the new "law of laws" is required, that is, a constitution which, as the law decree convoking a constituent assembly says: "will have as an exclusive purpose the issuance of a new political constitution for the state which essentially, among other things, will contain the provisions which institutionalize the structural changes being carried out by the armed forces revolutionary government."

FINANCE MINISTER SAENZ ADDRESSES NATION

PA1617257 Lima Domestic Service in Spanish 0100 GMT 14 Jan 78 PA

[Radio and television address to the nation by Peruvian Economy and Finance Minister Gen Alcibiades Saenz--presumably live; place not given]

[Excerpts] Fellow countrymen, good evening to all of you. I bring patriotic and cordial greetings from the armed forces revolutionary government, the police forces and myself, which I wholeheartedly express on this occasion.

We all know that Peru is following an economic-financial stabilization program for the period October, 1977, to December, 1979, in order to implement control measures that will allow us to emerge from the economic-financial crisis we are experiencing. This crisis, as we have said on other occasions, is due to a great extent to the crisis affecting a large part of the world. The government believes that this strict program, which demands many sacrifices from each and every Peruvian, will allow us to reorganize our total economic potential and advance toward a progressive situation by means of our loyal and patriotic efforts, which must be permanent at least for the duration of this program. This program has two main objectives: Correcting the balance of payments and halting the continuous rise of inflation. In order to do all this, we are drafting a series of policies. [These include]:

A fiscal policy whose main outlines are as follows: increasing the government's tax revenue by means of creating new taxes, updating tax rates and improving the administration of taxes; increasing prices, tariffs and rates charged by the public sector organizations and concerns including [word indistinct]; rationalizing public spending by means of a strict austerity plan and a reorganization of the national administration; establishing a strict priority system for public investment projects in line with actual funds; avoiding public debts, at home as well as abroad, keeping in mind the country's capacity to assume debts now and in the future; establishing a policy for prices, subsidies and salaries; implementing a flexible price policy which seeks to reduce to a minimum the list of products under a control system based on the fiscal, exchange and foreign financing policies; reducing subsidies to the real capacity for financing based on production criteria, tending toward reducing or totally eliminating them; complementing a wage policy for the public and private sectors which does not constitute an additional cause for inflation and trying not to reduce too much the purchasing power of the lower-income bracket; seeking a harmonious wage policy in the public and private sectors with a tendency toward establishing a uniform system.

Balance of payments policy: Maintaining a realistic and flexible exchange policy which will promote exports and at the same time support the production sector, striving to export nontraditional goods in particular; substituting imports so that the production sector will become less dependent on foreign materials, which can be done through programming and harmonizing production; establishing a priority system for government imports; limiting the procurement of foreign loans for the government sector, always keeping in mind the length of the payment period and the country's capacity to assume loans; promoting foreign investment in the respective sectors in which the nation is investing, sectors which require high investments in capital and technology.

Monetary and credit policy: Program the volume of liquidity and [words indistinct], seeking to reduce inflation and correct the balance of payments; orient the people toward activities producing food and non-traditional goods; establish flexible structures for interest rates to achieve realistic and positive rates; improve the administration and credit capacity of economic and financial institutions, giving greater autonomy to branches and agencies; improve the selective credit system of the commercial banks by making more specific the criteria for selection.

These policies, once established, will provide some indication of our rate of progress. Let us take for example the trade deficit. In December, 1976, it was in the red by at least $44.6 million. In June, 1977, the deficit increased to $58.1 million. But by November, 1977, the deficit improved to such an extent that it was $20.2 million in our favor. The same thing happened with the balance of payments. In the first half of 1977, the balance of payments closed with a deficit of $293 million. The second half of 1977 showed a surplus of $3 million. This means that we have had a better than anticipated result because it was programmed that in June, 1977, there was going to be a deficit in the balance of payments of $335 million.

This is an indication of the benefits which the country is obtaining from the austerity program and the permanent evaluation and constant administration of all aspects of this program. To get more details, we can look at chart "A". This chart shows the foreign currency situation was minus 752 million [unit of currency not identified]. This situation deteriorated, and in June, 1977, we had minus 1.45 billion, and in September, 1977, minus 1.115 billion. But in December, 1977, we see an improvement, a minus 1.42 billion. [figures as heard] This shows the difficulties we had to obtain credits in 1977, simply because as you see we had no collateral on which to receive credit.

Speaking of another great objective of this program, that of halting inflation, let us look at chart "D". In this chart we can see that consumer prices from December, 1975, to June, 1976, increased 13 percent, from June to December 28.1 percent, and from December, 1975, to December, 1976, there was a 44.7 percent increase. Note the price increases caused by inflation.

Let us compare these indicators with the year 1977. From December, 1976, to June, 1977, there was a 19.1 percent increase. From June, 1977, to December, 1977, there was a 11.2 percent increase. From December, 1976, to December, 1977, it was 32.4 percent. Here we can see the results of the government's efforts to control inflation with the implementation of the stabilization program drafted by the government.

Thus, [words indistinct] Decree Law No. 22049 has been published. It approves the annual budget law for 1978. The law sets forth that the budget is a balanced instrument. In view of an overall income of 289.741 billion soles for the central government, spending has been estimated [words indistinct].

Let us observe that assistance totals 226.243 billion [words indistinct], 14.92 billion in foreign financing [financiamiento externo], 48.578 billion in domestic financing [financiamiento interno]. Expenses are itemized as follows: 144.687 billion in [words indistinct], 45.176 billion in capital expenses, 38.697 billion in servicing the debt and 61.181 billion toward amortizing the debt this year.

These (?amounts) are the result of a supreme financing effort. It has merely permitted [words indistinct] central government the strictly necessary amount that in many instances results not only in [words indistinct] less than last year. Therefore, this is also a challenge to all sectors to [word indistinct] fewer funds will be used for the development of the country [words indistinct], no matter how small, and make a supreme effort to contribute toward the people's welfare.

Treasury funds have not been allocated to public enterprises for operating costs this year. They themselves will have to provide their operating funds. The public treasury will back the creation of public enterprises to a lesser extent than last year. Compared to 14.176 billion for treasury funding [transferencias] to public enterprises in 1977, these funds to public enterprises will total only 9.293 billion. In this sense, the firms will also have to provide their own funds to develop the programs that they plan to (?carry out) in 1978.

A very austere national budget has been approved in order to curb inflation and the drop in production, along with a prudent monetary and credit policy earmarked mainly to channel the largest amounts of banking credits for the public sector toward priority production activities.

In the area of prices, there is a set of basic commodities and services whose prices are subject to control. Their control will curb any further inflation. These prices, however, cannot remain stable as costs change. For all these reasons, the government has approved a number of price measures taking into account the objectives of the stabilization program. Therefore, it is a matter of readjusting the prices and costs of certain basic goods and services, admitting the [word indistinct] changes that have taken place in the past 6 months and including those that will take place in 1978. Thus, as a result of the price readjustments, an overall increase in wages has been decided.

Finally, in view of the changing nature of cost factors of the controlled goods and services, an ongoing handling, assessment or followup work on those factors should be carried out so that prices will progressively [word indistinct] to actual costs and the appropriate corrective measures will be adopted. Therefore, we repeat, the government has approved a price hike for fuel--better to say, for oil byproducts--transportation rates, light bills, food and fertilizers.

As we said a moment ago, the need to raise these prices by a moderate amount so that the consumer, with state subsidies, can shoulder a fixed increase has led the state to decide--in trying to provide some compensation--to increase wages. Consequently, the government has decided to increase wages of the public sector by 2,000 soles in the following way: an increase in temporary (?pensions) of 1,000 soles; an increase in the family subsidy of 1,000 soles. In the national public sector this means that in the future, family subsidies for the married will be 2,200 soles. This increase [words indistinct] is also extended to the private sector. And the government, considering the existing general crisis situation, considering the situation of (?private business) and considering that the cost of living has affected different parts and regions of the country, has decided upon an increase in the wages paid by the private sector equivalent to 27 percent of the minimum wage in the area in which the laborers work.

For example, in Lima 27 percent of the present minimum wage amounts to 1,458 soles per worker. In addition, workers will obtain in collective negotiations a wage increase without limitations other than the firm's economic and financial capacity [words indistinct].

This increase in wages is not a capricious figure. It corresponds to the studies made of the increasing loss of purchasing power [words indistinct]. This increase is specifically aimed at covering a great part of the loss of purchasing power between August, 1977, and the first quarter--January to March--of 1978. [words indistinct] However, it does not provide the total coverage because it is impossible. I think no country in its social and economic sphere, no matter how developed and rich, [words indistinct] can cover the loss of purchasing power with increases like [words indistinct]. The nation is making a supreme effort to give workers an adequate increase to cope in great part with the loss of purchasing power in the period I stated.

Before approving the increase in subsidies or wages--a total of (?8.77) billion soles of which only 6 billion have been financed--the government studied means to finance these greater expenses. These greater expenses are to be financed through a supreme effort of the government. I can say that to finance this the economy and finance sector would be using its scant reserves [words indistinct] which give it a certain amount of security to manage the economy for an entire year. However, we calculate that if we use these small reserves we must continue studying ways of creating other reserves which will give us a certain possibility of managing the economy, a certain amount of security, no matter how small.

I have said that the prices and wages policy, the measures and actions which the government must carry out must be the best planned and executed now that we have a permanent price and wage commission. This permanent commission, which is multisectorial, has been established by Supreme Decree No. 0177-77S and is presided over by the director of the Economy and Finance Ministry and composed of representatives with the rank of director general from the different sectors of the administration. It has its permanent staff, that is, an executive committee which insures timely, practical and effective work. Its fundamental objective is to make the general wage policy compatible with the projects setting and modifying prices and rates of controlled goods compatible with the nation's global economic and financial policy so that everything is perfectly coordinated, is a harmonious whole. Its main functions are: to coordinate, prior to the issuance of the corresponding legal instrument, the projects of setting or altering prices and rates controlled by the corresponding sector as well as those referring to general increases in wages and salaries; to carry out a permanent evaluation and [words indistinct] of the effects of the price, rates and wages policy and making the proper recommendations to the supreme government. All these measures and actions, placed within the framework of the economic and financial stabilization policy, seek only to attain the goals of the two objectives we have cited.

One of these measures, included in the economic program, comprises the treatment of, the search to alleviate, and the service of the public debt. Our foreign debt on 30 June, 1977, rose to $3.824 billion. It is estimated that by December of the same year it amounted to $4.171 billion. The service cost to be paid in 1978 is $910.8 million, with $635.4 million going to amortize the debt and $275 million to interest payments. By 1979 a total service cost of $975.2 million, slightly above this year's, will have to be paid, out of which $686.4 million will be amortization and $289.8 million will be interest.

This year, 1978, the service of the foreign debt will be 46.6 percent of our export income. It is an obligation of the economic sector and a task which the government has assigned to plan and carry out a program to ease the service of the foreign debt. This is to be achieved mainly through the reorganization of said service and new credits.

We are already working on programs to cut the service of the debt so that we may be able to use for development purposes some of that 46.4 percent of our export income, which we would have to spend in servicing the foreign debt during 1978.

The government has decided through the economic and financial sector to work hard concerning this task, and it is already preparing the first important steps. We must realize that this participation on the part of the government responds to the need to maintain its international credit standing and prestige. Peru has always paid its foreign debts and will continue to do so. Although we are now, for various reasons, bearing the weight of a very heavy debt service, we have started negotiations to refinance our foreign debt precisely because of our concern to pay our debts.

The 1978 economic and financial program, as part of the stabilization program approved in October, 1977, must be permanently evaluated and controlled in order to insure that its goals and objectives are reached properly and in due time. This is a great task for the economic and financial sector, and it is in our hands to carry it out firmly and intelligently, with an adequate degree of social sensibility, so that this effort may lead our nation to find its way out of this vortex of inflation and recession.

The government does not hide anything. If any individual or entity failed to obtain the proper information it is because either the information was not avilable at the time or because it would have been unwise to reveal the information at the time it was requested. There is a time, however, when such information can be made available. The government does not hide anything. The stabilization program is underway. Despite the lack of financial resources the government is making a supreme effort to increase wages and the purchasing power of the Peruvian workers. It has made a great effort to insure the availability of some basic foods in order to attend to the needs of the people.

There is no reason for a [word indistinct] concerning the currency exchange rate. In October, 1977, the government adopted the single exchange rate, aware of the fact that the exchange rate could suddenly rise to unpredictable levels. This system of the single exchange market is yielding results; there have been no losses in the reserves. The nation is no longer losing international reserves. We have seen [words indistinct] in past years.

The plans, programs and actions require time to be prepared and to be carried out. We cannot change the situation overnight. Everything requires time. The results obtained permit us to state that we are able to handle our national economy by working constantly and seeking the maximum cooperation of each and every Peruvian citizen [words indistinct]. Whenever you express a criticism, offer a solution also. Only thus we will contribute to the nation's progress. Otherwise, we will only sow hatred, ill feelings, discouragement and humiliation.

We must work together toward the goals established by the government to be able to provide the people with the welfare they deserve.

Fellow countrymen, we need to be firm and calm and engage in a permanent and productive effort for the benefit of all. There lies the fate of the fatherland. Before all else, when the fatherland is in trouble we have duties to fulfill. Thank you.

CGTP CONFIRMS HOLDING OF STRIKE TO PRESS FOR DEMANDS

PA162341Y Buenos Aires LATIN in Spanish 1745 GMT 16 Jan 78 PA

[By Raul H. Riutor]

[Excerpts] Lima, 16 Jan (LATIN)--Despite the military government's exhortations and warnings, the General Confederation of Workers of Peru (CGTP) confirmed here today at an assembly of delegates its decision to hold a 48-hour national strike beginning Monday.

The CGTP, which comprises some 500,000 workers, is demanding the rehiring of the workers dismissed in the wake of the 19 July national strike, wage increases and the return of several leaders and legal advisers who have been deported. According to CGTP President Isidoro Gamarra and to Secretary General Eduardo Castillo, the strike is strictly a labor action and it is unfair on the part of the military authorities to present it as a subversive or antipatriotic political action.

For his part, Interior Minister Gen Luis Cisneros has announced that the labor leaders will be held responsible for any arrests which may have to be made and that the government will take all necessary measures to prevent the strike.

Meanwhile, the Federation of Peruvian Fishermen (FPP), which comprises some 14,000 anchovy fishermen, has announced that it will not join the strike. FPP Secretary General Felix Tapia yesterday told the morning newspaper LA PRENSA that his organization will not join the strike because its objectives are politically rather than labor oriented. Tapia affirmed that the strike is being fomented by leftwing and communist elements trying to destabilize the regime that rose to power in 1968 and which has promised to hold general elections in 1980.

From another quarter, the Central Organization of the Peruvian Revolution, which has 250,000 members, has announced that it will not join the strike either.

Meanwhile, Gen Francisco Morales Bermudez' government has intensified its campaign against the strike through the papers which the government expropriated in 1974. The national newspapers have described the labor movement as a strike against Peru and as harmful to the economy.

While labor unrest is taking place, the military is trying to alleviate the economic crisis with the implementation of new measures that include new demands on the population.

BRIEFS

LIMA REGIONAL COMMANDER--Gen Jose Loaiza Amezquita, former chief of the planning institute and former president of the board of directors of the Banco de la Nacion, was sworn in today as commanding general of the 2d Military Region with headquarters in Lima. [Lima Radio del Pacifico in Spanish 1700 GMT 16 Jan 78 PA]

BOLIVIAN NAVAL ATTACHE DECORATED--Capt (Rene Torres Saavedra), naval attache of the Bolivian Embassy to Peru, has been decorated by the Peruvian Navy. He is about to return to Bolivia at the end of his term of duty. [Lima Domestic Service in Spanish 1200 GMT 14 Jan 78 PY]

OPEC SPECIAL MEETING EXPECTED TO BE HELD IN MARCH

PA170435Y Caracas Radio Continente Network in Spanish 0300 GMT 17 Jan 78 PA

[Text] Caracas--A special OPEC meeting is expected to be held in March. The meeting will discuss the price of oil. There is hope that a partial agreement will be reached.

The information was revealed by a spokesman of the Energy and Mines Ministry who said the six nations favoring an increase of the price of crude will finally meet in March.

The same source announced that the mines minister of Saudi Arabia will visit Venezuela later that same month in response to an invitation from the Venezuelan Government.

It is expected that the oil price increase will be from 10 to 14 percent over the current price.

FDP VIEWS LEFTWING PARTIES MEETING AS IMPORTANT

PA130234Y Caracas Radio Rumbos Network in Spanish 2100 GMT 12 Jan 78 PA

[Text] Jorge Dager, secretary general of the Popular Democratic Force [FDP], views the meeting held by the four leftwing parties that have nominated presidential candidates as very important. Dager made that statement to reporter Ernesto Vegas: [Dager--begin recording] I think it is very important because first of all it reveals that the leaders of the parties that have united under the label Venezuelan left want to nominate a single candidate who might be able to win. [end recording]

Dr Dager said, however, that even though his party and the Democratic Republican Union are socialist parties, they were not invited to the meeting [Dager--begin recording] Even though as a leftwing party we were not taken into consideration, despite the fact that we are a socialist party like the Democratic Republican Union, we still wish them well and hope they will be able to nominate a single candidate.

[Question] If you had been invited, would you have attended the meeting?

[Answer] If the party had been invited as it has been on other occasions, perhaps we would have attended. That decision would have been up to the party executives, but I think we would have attended. Unfortunately, we were not invited. [end recording]

Asked abut the prospects of leftwing unity, Dager answered: [begin recording] I have never been optimistic about this. Right now, however, according to certain objective data that I have, I think that it is very possible to unite the leftwing.

[Question] Do you think it would have any possibility of winning?

[Answer] Well, that is difficult to say. One would have to be á fortune teller, but I think it would run a good race. How many votes it would get is hard to say. Given the protest movement in the country and the number of people who are unhappy with the parties that have ruled up to now, there would be nothing special even about an electoral victory by a leftwing front such as this one. [end recording]

Asked whether he sees any prospects of leftwing unity, Dager replied: Yes, sir. His answer was very appropriate. [as heard]

PRESIDENT VIEWS NUCLEAR COOPERATION WITH BRAZIL

FY140240Y Rio de Janeiro JORNAL DO BRASIL in Portuguese 13 Jan 78 p 6 PY

[Text of interview with Brazilian newsmen by Mexican President Lopez-Portillo in Mexico City on 11 January 1978]

[Text] Question: What are the Mexican Government's expectations regarding the Brazilian president's visit to Mexico--in all sectors, especially economic and political?

Lopez-Portillo: I would like to divide the answer into two parts: the expectations for bilateral relations and the multilateral aspects of our relationship. Regarding bilateral relations, I feel that it is very important for Latin American countries with real development potential--like Brazil and Mexico--which have resources, with population at an adequate level to decide on their own development, to expand their trade and complementation potential.

Much has been said about the possibility of establishing ties between Mexico and Brazil to make better use of their resources to organize their economies so as to complement each other and to regularize the market for common products. I feel that in the area of trade we have interesting prospects for joint investments: in the area of agreements we have great potential regarding common policies and responsibilities involving our two countries and many others things which are within our capabilities. Of course, there is also the great potential for accessible technological exchange which can be also common; and finally, the possibility to strengthen the friendship which should unite the Latin American peoples.

Regarding multilateral relations, we must confirm our Latin American calling, we must identify ourselves--although we don't need to do so--and ratify the decision to unite our policies in international forums, with the old idea in mind of contributing to Latin American integration. These are in general terms the expectations I see from President Geisel's visit.

Question: I know that the Mexican Nuclear Institute is working on this. I am referring to the possibility of cooperation between Brazil and Mexico in nuclear matters. How is it possible to reconcile cooperation between Brazil and Mexico if the positions of the two countries are different, considering the nuclear nonproliferation treaty?

Lopez-Portillo: Mexico initiated and signed the Tlatelolco treaty. We believe that mankind must use nuclear energy for peaceful purposes, and we would not like to see Latin America polluted with the risk of using atomic weapons. To the point that we may agree on the peaceful use of the atom, we may be able to reach an understanding with Brazil in this field.

I think, for example, there are some decisions which the two countries can make to exploit the enriched uranium which now is placing us under an economic dependency, of enriching uranium in their own territory. But if we add the needs and potential of Mexico, Brazil and some other Latin American countries which are in the same condition as we are, the volume of demand may make an intelligent decision possible regarding the enrichment of uranium, and this is only an example. We must consider that the permanent Mexican demand in Latin America will be the peaceful use of the atom and not its use for military purposes, at least here in America.

Question: Would you be referring back to an old idea which emerged long ago in the United States on the creation of a Latin American nuclear plant which would eliminate national nuclear programs? Is that what you mean?

Lopez-Portillo: Absolutely not. I am not thinking of a single nuclear plant, which is impossible. I am thinking of the possibility of integrating demands, so that countries can pay in accordance with their need. That integration would justly allow the nuclear development of each state to the degree convenient to their economies. But there are some bottlenecks in nuclear development resulting from the high cost of some installations, which cannot be considered for every country, but which could be agreed upon by several. The case of enriching uranium is an example, but others can be studied: equipment, installations, technology, etc.

Question: We would like you to explain to us something about your government's political reform. The way we understand it, it is some kind of mobilization of the official party, the PRI.

Lopez-Portillo: No, it is much more than that. What you call mobilization of the PRI is merely a consequence of the reform itself. The aim of the political reform is to give legitimacy to the struggle for positions. In every democratically organized society, this struggle must be legitimate, because in nondemocratic countries the opposition remains underground. Since we want to improve our democracy, we want to provide alternatives for the minorities, and therefore we are amending our constitution and the electoral law to facilitate the organization of minority groups in operation political parties, giving them a chance of expressing, through their representatives, their disagreement or their agreement. In any case, they will share the government's responsibilities either by their approval or their disapproval, which will be legitimate.

In a democratic country, where equality is accepted, the decisions must be accepted by the majority. There is a possibility for minority parties to become majority parties. We want to pave the way for this.

Question: Do you believe that the unity of leftist parties, such as the Mexican Communist Party, may endanger the PRI's majority, even on a long-term basis?

Lopez-Portillo: I am a member of the PRI. I believe in this strength. However, we must face reality. Changes are ever-present and the Mexican people have a chance at self-determination and of choosing the government they think best. The doors are open for this. I personally believe that the PRI will continue to be the majority party because it is the one that can best express the ideology, follow the history and political tradition, and bring together the Mexican people by means of decisions reached by the majority.

Question: Mr President, at the point when all Latin America is facing very serious problems in its relations with the United States, and is making efforts to lessen the terrible economic pressure which the neighbor country is applying, how could Mexico help this Latin American effort to overcome these problems, when for 80 percent of its investments Mexico depends on the United States? In what way could Brazil help Mexico in this effort to obtain freedom of investment and lessen its dependency on the United States?

Lopez-Portillo: First of all, I would like to correct a figure: 80 percent of our investments do not depend on U.S. capital. U.S. investment is considerably less. You are probably speaking of the fact that 70 percent of our trade is with the United States.

Mexico is an example of relations between developed and developing countries, both because of its nature and also because of its geographical location. It is a typical case of north-south relations. Under such conditions, the problems which we may have with our neighbors are dealt with realistically and objectively, both at the level of bilateral and multilateral relations, and always in accordance with the principles of international law on which our way of living is based: self-determination, noninterference in domestic affairs, equality of states, and peaceful solution of conflicts.

MEXICO LEERY OF BRAZIL'S IDEAS ON NUCLEAR ARMS

PY162334Y Rio de Janeiro JORNAL DO BRASIL in Portuguese 13 Jan 78 p 7 PY

[By Clovis Rossi]

[Text] Mexico City--During a press conference with Brazilian newsmen, Mexican Foreign Minister Santiago Roel said yesterday that as long as Brazil does not sign the provisions contained in Article 28 of the Tlatelolco treaty, Mexico will maintain a wait-and-see attitude regarding the peaceful use of nuclear energy by the Brazilian Government.

Article 28 is a complex technical-political declaration involving mainly countries with nuclear weapons, whether or not they have possessions in Latin America. But to implement the Tlatelolco treaty, it is necessary that all countries outside Latin America also adhere to the treaty.

Latin American countries which so wish, however, may sign the safeguards contained in Article 28, and in that case they will be committed to fulfill its provisions, even though the other powers do not sign the treaty. Brazil has not yet signed these safeguards and Mexico feels that, like the other nuclear powers which did not sign the Tlatelolco treaty, Brazil is not shielded by its provisions which essentially seek the denuclearization of Latin America.

Roel even made a point of textually quoting former President Castello Branco that the treaty does not prohibit "independent nuclear explosions for peaceful ends," which according to the Mexican foreign minister "sort of breaks away from the common objective and stimulates Latin American countries to absorb nuclear technology."

He frankly admitted that during the Geisel-Lopez-Portillo talks the question of signing Article 28 of the Tlatelolco treaty by Brazil will be discussed, although this may not be "a sine qua non condition" for Brazilian-Mexican cooperation in the nuclear sector. But in any case, Roel strongly emphasized during the press conference the dangers of nuclear proliferation and the strong Mexican desire that Brazil sign the safeguards of Article 28.

He even stated that Mexico is more interested in a regional treaty (in this case the Tlatelolco treaty which is the result of a Mexican proposal) than in a treaty of "general or universal oversight" (referring to the nonproliferation treaty and to the agreement signed between Brazil, the FRG and the International Atomic Energy Agency [IAEA].

Roel also extensively explained the reasons why the Mexican Government wants to strengthen cooperation with Brazil:

"Brazil is a country with great potential. It has more than 110 million inhabitants with minerals, agriculture, petroleum, industries and perhaps great human resources in the universities and in the technological institutes. I feel Brazil has a new position in the world, a position with pragmatic feelings.

"Mexican presidents have visited Brazil, and historically there have been good friendly relations with Brazil. We have had practically no reason for disagreement and there is no ice to be melted, although there is always room for improvement. We are aware of Brazil's great potential, its strength in industrial, trade, cultural matters, etc. For this reason, President Lopez-Portillo wants and seeks this rapprochement and has invited President Geisel to see how we can deepen and improve our relations with Brazil, especially trade, industrial and pragmatic relations."

The foreign minister confirmed that "very important agreements are being prepared," and that there exists the possibility of signing a "very important treaty" with Brazil. He then mentioned Brazil's needs for petroleum, saying that Mexico could supply its technology in this sector and in petrochemicals in exchange for "valuable elements which Brazil has," and he listed a number of basic manufactured or semimanufactured products from Brazil.

He then summarized the objectives of the visit: "First, to know each other better, because we are geographically and geolopolitically separated. Second, to discover how can we complement our economies, which areas need improvement, what products Brazil can sell to us and what products Mexico can sell to Brazil."

The foreign minister declined to go into details of the agreements which are being studied, because "Itamaraty is quite orthodox in its style and method and if I anticipate something we may have problems." But he made a call to reporters to try to emphasize in their reports "the aspects which could unite us and not those which could separate us." Asked about the Mexican interest in maintaining and strengthening relations with a country "which does not have a democratic regime," he mentioned the principles of self-determination of peoples and noninterference in domestic affairs of other countries, and then cited the treatment given to Chile.

He said: "In the case of Chile, we simply implemented the Estrada Doctrine, without judging the domestic regime (the Estrada Doctrine provides for the breaking of diplomatic relations with regimes which resulted from coups). I do not feel there is any similarity between Brazil and Chile, but you must know better."

Regarding specific agreements between Brazil and Mexico, Roel cited the following reports:

Sale of gas: The important thing now is to use gas within Mexico, especially because the gas pipeline (from the state of Tabasco in southeastern Mexico to the U.S. border) will take about 1 year to build. But in view of the studies being made to build this gas pipeline toward the south as well, there may be some chance that "our gas and our petroleum will be sold to Brazil and other countries."

Petroleum: Roel reaffirmed remarks made the day before yesterday by Jorge Diaz Serrano, president of Mexican Petroleum [PEMEX] that the sale of Mexican petroleum to Brazil is tied to the question of transport and the percentage to be paid in dollars.

Aeronautics industry: There are other proposals in addition to the Brazilian offer. Roel mentioned one by Israel, but there are others. All of them are under study.

The foreign minister also emphasized the question of Latin American integration, which he considers essential. He said: "We would like real integration. Latin America has never had a consistent policy for itself." Regarding the possibility--or need--to extend this integration to include Cuba, which has been pushed aside from the Latin American system, Roel said that the Mexicans "are not alarmed by the Cuban revolution because we had our own revolution."

After pointing out that Mexico was the only Latin American country which did not break diplomatic relations with Cuba, Roel stated that his country "cannot influence the sovereign will of other countries. What we can do is simply offer an example."

Roel's proposal for Latin American integration is not, however, a confrontation with the United States. He said: "It is necessary for Latin American countries to express solidarity among themselves and also with the United States because we are all from the American Continent."

YUGOSLAV DELEGATION DEPARTS FOR VENEZUELA

LD1710?4Y Belgrade TANJUG in English 0920 GMT 17 Jan 78 LD

[Text] Mexico City, Jan 17,(TANJUG)--A mixed delegation of the League of Communists of Yugoslavia (LCY) and the Socialist Alliance of the Working People of Yugoslavia led by Munir Mesihovic, member of the LCY'S Executive Committee, today ended a several-day visit to Mexico and left for Venezuela. The talks the Yugoslav delegation had here with leaders of the ruling Institutional Revolutionary Party (PRI) imparted a new and important dimension to Yugoslav-Mexican relations: close cooperation between the leading political forces in both countries, advanced political relations surely make possible much broader cooperation in the field of economics and other fields of cooperation.

In addition to top PRI leaders, the Yugoslv delegates also met in Mexico with leaders of the Popular Socialist Party (PPS), the Communist Party, the Mexican trade unions and parliament. The common denominator in all of these fruitful talks was both sides' determination to contribute to all-round cooperation between Yugoslavia and Mexico.

The talks which the LCY and Socialist Alliance delegation has had in Mexico with representatives of the party in government and other political organizations and, also, with the minister of internal affairs have shown how great President Tito's prestige is in Mexico. The great admiration and respect for the Yugoslav president, encountered by the Yugoslav delegation at every step, was an expression also of the recognition paid to Yugoslavia for its non-aligned foreign policy and important role in world relations.

The LCY and Socialist Alliance delegation's tour of Latin America and the Caribbean will continue with the delegation's visit to Venezuela. In Venezuela, the delegation will be the guest of the ruling Democratic Action Party. After Venezuela, the delegation will visit Guyana and Jamaica, two non-aligned countries of the region with which Yugoslavia also develops friendly and fruitful relations.

FOREIGN MINISTRY: NO TREATY CHANGES ACCEPTABLE

PA161426Y Panama City Domestic Service in Spanish 1100 GMT 16 Jan 78 PA

[Text] Tomorrow another U.S. senatorial tour of Panama begins with the visit of seven senators, all members of the Foreign Relations Committee. The trip was initially scheduled to start on Sunday, but the death of Senator Hubert Humphrey caused the senators to postpone and shorten their visit. They are scheduled to depart Wednesday night.

The senatorial group will be headed by the chairman of the committee, John Sparkman, and is made up of Democrats Frank Church, Claiborne Pell and Paul Sarbanes and Republicans Jacob Javits, Charles Percy and Clifford Case.

According to a Washington source, the new visitors plan to meet with Panamanian Chief of Government Gen Omar Torrijos Herrera, to whom they will propose possible changes to the treaties.

Nevertheless, a Panmanian Foreign Ministry spokesman has said all these efforts will be unsuccessful because Panama will not accept any amendment that will change the real contents of the Torrijos-Carter treaties.

The group will also meet with U.S. Ambassador to Panama William Jorden and is expected to tour the Panamanian territory known as the Canal Zone.

Democratic Senator Allan Cranston intends to make a similar visit on 26 January, bringing to 40 the number of U.S. senators who have come to Panama reportedly to decide on their final vote regarding ratification of the canal treaties before the beginning of the sessions that will discuss the problem. These sessions are scheduled to be held in February.

CHIRIQUI REPRESENTATIVES OPPOSE TREATY CHANGES

PA161436Y Panama City Domestic Service in Spanish 1100 GMT 16 Jan 78 PA

[Text] The 101 representatives of the Chiriqui Province corregimientos have said that neither the Panamanian people nor their government should accept any kind of amendment to the treaties ratified by Panama in last October's plebiscite. The representatives made this recommendation to the government in a resolution approved by the entire Chiriqui Provincial Coordination Council.

The Chiriqui representatives said that in the future U.S. senators who come to visit Panama, reportedly to know the truth about the canal problem, should be received by the proper organ--the National Assembly of Corregimiento Representatives. They also rejected the declarations of the senators who have visited Panama in the past few weeks and whose true aims were insulting to the nation's dignity.

GOVERNMENT OFFICIAL DISCUSSES DEMOCRATIC OPENING

PA161856Y Panama City DOMINICAL in Spanish 15 Jan 78 p 13-e PA

[Statements by Juan Materno Vasquez, president of the Supreme Court of Justice, in an interview conducted by newsman Luis Restrepo]

[Excerpt] What is meant by the "democratic opening"...that freedom of expression is being permitted after 9 years of a nondemocratic revolutionary government. Such a supposition is unacceptable. This is a negation of the constitutional regime established on 11 October 1972, at which time the present constitution was approved by a Constituent Assembly elected by all the people. If we have a constitution that defines the Panamanian state as democratic, it is false to say that the"democratic opening" was a consequence of the October plebiscite. Let us see why.

According to our constitution, the concept of "democratic government" is based on a system of fundamental guarantees granting individual rights and duties. Citizenship and suffrage are among the political rights granted in our constitution. At no time have these rights been suspended.

It has been established that it is the duty and right of every citizen qualified to vote to exercise the right of suffrage. This right is exercised under the law that establishes that"it is free and universal, direct or indirect, and that votes are equal and secret." It also establishes that the formation, functioning and existence of political parties will be carried out according to the law. The formation of political groups based on sex, race, religion and those that seek to undermine the nation's sovereignty or to destroy the government's democratic structure are prohibited.

According to the constitution, it is not necessary to have political parties to exercise the right of suffrage. Therefore, it is false to say that it is necessary to have political parties to elect representatives to the government.

People have been talking about the "democratic opening" since the plebiscite was held to ratify the canal treaties and placing special emphasis on the need for political parties to participate. Let me say the following:

The ratification or disapproval of the canal treaties was a constitutional mandate, according to Article No 274 of our constitution. Therefore, when the government called for the plebiscite on 23 October, it was carrying out a constitutional mandate. Legally speaking, the plebiscite had no other purpose than to ratify or reject the treaties. The plebiscite was not held to decide the future of tne revolutionary government.

Therefore, it is difficult to understand why there is an attempt to attach a political significance to the plebiscite by reevaluating the established political situation, to the extreme of asking for a constituent assembly, which would be equivalent to doing away with the revolution.

PANAMENISTS URGE ESTABLISHMENT OF DEMOCRATIC SYSTEM

PA121941Y Panama City Radio Exitosa 1100 GMT 11 Jan 78 PA

[Text of Panamenist Party proclamation released at the party's convention on 8 January in Santiago, Veraguas Province]

[Text] Nine years have passed since a military dictatorship seized power for the first time in the history of our republic to conduct government affairs without the people's consent, using military force to carry out its objectives.

As often occurs in these types of acts, the majors, captains and officers who carried out the treacherous military coup were likewise betrayed by the person who following the traditional pattern of military coups, proceeded to promote himself and to proclaim his leadership.

During these years in which only the present government and not former governments is to blame for the evils confronting the nation, the Panamenist Party considers it opportune and proper to denounce to the nation the deterioration we are going through so that it does not occur again and hopes for an era of peace, harmony and brotherhood, to which all Panamanians are entitled.

The history of mankind is full of examples of people, cities, nations and entire economies being destroyed but which with the cooperation of good citizens have recovered splendidly and strongly, in a way that even those who took part in it did not believe it could happen in such a short time. An example we have all witnessed is that of Europe's recovery after World War II.

The Panamenist Party, based on its confidence in the men and women of Panama, proposes a national reconstruction program for the nation. A democratic government has several basic principles which for the past 9 years have been completely disregarded in Panama and which must be reinstated [words indistinct].

Absolutism as a form of government was long ago abolished in all civilized nations because it physically and spiritually destroys a country's citizens. The concentration of power in one person, apart from being unethical, fosters corruption in individuals and institutions. Lately, we have seen in our country that men who used to boast of their love for democracy are meekly accepting orders from persons who know nothing about public administration. They conduct themselves disgracefully in exchange for economic benefits. Man's work and his honest activities have a reason and purpose in our society, which if carried out according to philosophical principles have sufficient value and importance to deserve our respect. But when they deviate from the path of decency and uprightness, they are contemptible.

The idea of an absolute ruler was abolished because basically it was unethical. He uses the nation's economic and education resources to his personal advantage and to rule as he pleases. Corruption must prevail in all governmental institutions. The demagogic stands, phrases and attitudes common to dictatorial regimes will not stand up under critical analysis. That is the why the first thing a dictatorship does is suppress freedom of expression either by imprisoning, physically eliminating or banning from the country those opposed to its outrages.

Some of the basic principles in the republican system of government consist of holding power for a limited period, the right to select government officials in popular elections and real separation of the government's powers that guarantees freedom for each individual. Those who usurp power are opposed to holding elections and will do anything within their power to prevent a real popular confrontation.

The Panamenist Party has gone to the polls for four occasions. Each time it has won the elections and thrice has been in power by the will of the people, not by treacherous arms.

The antipatriotic and demagogic ambitions of those in power are coming to an end soon. For this reason, we are making a peaceful call for national reconstruction.

It is necessary that we have a democratic government because our economy cannot tolerate [the crisis] anymore. The lack of credibility, trust and confidence has plunged our country into an economic stalemate which must be stopped. The only way to overcome this situation is to restore the confidence of investors, professionals, students, farmers, businessmen and workers.

After 9 years in power, the ratification or nonratification of the Panama Canal treaty cannot be used as an excuse for the country's economic condition. We are not to blame for the bad administration of those that were not authorized to govern.

The power to govern comes from the people in free and direct elections. Our efforts should be aimed at this objective. The mechanisms to reach this point are varied, but what is essential is our genuine desire to return to democracy. We know who are the ones opposed to democracy and their reasons. Besides an authentic executive branch, a democratic system must have a legislative branch that discusses in public the bills which affect the people and accepts criticism deemed necessary in a democratic system of government.

The country has been gradually deteriorating in every way for the past 9 years because of laws not properly prepared and orders that even disregard laws passed by this dictatorship. There is not one sector in the nation that has not been negatively affected by the absurd, demagogic and outrageous measures implemented daily by the dictatorship.

The citizens are directly and indirectly contributing with their money to pay for the dictatorship's expenses. We can no longer accept that this money be used by the dictatorship in such an irresponsible way. If we were to define this government with one word, irresponsible is the word that befits it.

This government is irresponsible because it jeopardizes the nation's credit by negotiating loans at high rates which makes it impossible even to amortize the capital with the state's revenue; because it undertakes all sorts of adventures without the necessary experience, capability and required knowledge to make it a success; because it promotes the struggle of classes, instead of improving the nation's economic situation and restoring peace and harmony; because the ruling class which has only caused mourning, pain and poverty to the nation wants to remain in power.

The Panamenist Party proposes the establishment of a truly democratic regime in which differences are solved according to legal norms by competent authorities and the adversaries of the regime are not banned from the country.

We realize the effort needed to carry out this wish and the difficulties that will be encountered before it can become a reality. However, efforts have been made in this direction and will continue until a new era of enlightment, peace, brotherhood and abundance is reached.

We shall return.

LIBERAL LEADER SAMUDIO ATTACKS GOVERNMENT

PA151618Y Panama City Cadena Exitosa in Spanish 00004 GMT 15 Jan 78 PA

[Speech by David Samudio, president of the Liberal Party National Directorate, at party meeting in David, Chiriqui Province--live; speech broadcast in progress]

[Text] And for this reason [they] cannot conceive that the United States could sign a treaty to operate an interoceanic canal that is basic to its defense and a part of its trade with a country that is not also ruled democratically. [applause]

In any enterprise between two partners, a political and spiritual ideology should exist in order to avoid contradictions which lead to constant conflicts in the efficient development of that enterprise.

The U.S. people and Senate can see that democracy is not exercised in Panama. They know that this government has been in power for 9 years and that it has not given any indication that it will subject itself to truly free and democratic elections. They know that in Panama hundreds have been deported. They know that certain decrees were issued at the beginning of the revolution and that once abolished, equally oppressive decrees have been proposed. They know that there is no real freedom of expression and that in our country true and effective democracy is not practiced.

This is why many of the senators who have visited us, both sympathizers and opponents of the treaties, have told us that they will not approve these treaties until full individual and collective freedoms are respected without discrimination in Panama. [applause]

Due to the serious fiscal and economic crisis, the government is basing its hopes for recovery on the approval of the the treaties. What we have previously said shows that the strategic ability displayed in negotiating the treaties is not in accordance with what must be done for their approval in the United States. We sincerely believe that General Torrijos has won the negotiations battle but is in danger of losing the battle for approval. [applause]

But there are other considerations I would like to mention on this occasion: the conclusion of the negotiations and the plebiscite have confronted the country with a new reality that demands institutional changes which will enable Panama to participate with the utmost guarantees of success in the new process of administering the canal. This participation in turn demands, in the first place, formulation of a Panamanian criterion for the interpretation and execution of the treaties. Those citizens chosen to represent the country on the canal's administrative board must then subject themselves to this criterion.

This task and all those concerned with the fulfillment of the serious responsibilities imposed on us by the treaties will be correctly performed only if there is conscientious, deliberate and active national unity. The plebiscite showed that despite the unity that has always existed regarding the highest objective of the negotiations--the elimination of the colonial enclave--there is a certain discrepancy regarding methods to be followed for the achievement of that objective.

From a qualitative standpoint--the only national standpoint--the results of the plebiscite indicated that the country is divided into two equal parts. This means that from now on the government will not be able to continue running the country as if the other half did not exist. [applause] And this half in turn cannot divorce itself from the government's objectives and actions.

This stresses the need for a frank understanding between the government and the opposition in order to define and execute a program of tasks connected with the canal's operation. This would be part of a braoder plan aimed at the solution of the extremely serious problems we are confronting.

Far from being a chance or unexpected phenomenon, the so-called emergency was precisely the result of the erroneous administration of the country's resources. For more than 8 years the state has received more than $2 billion in ordinary fiscal revenues and an additional 1.5 billion through credits. An amount in excess of $3.5 billion constitutes a factor of extraordinary magnitude which, if used rationally, could have promoted our economic breakthrough and maintained a stable national production rate. [applause]

But such has not been the case because instead of true planning--which is nothing but the rational use of resources in accordance with attainable objectives--the public expense policy has always been at the mercy of improvisations and whims. The emergency is the result of that.

All those combined elements determine that there is a need for a national agreement, which should be discussed among the government and the political, business and productive sectors.

To implement this agreement, all political parties, without discrimination against any of them, can offer their experiences and capabilities without expecting bureaucratic retributions for their cooperation. [applause]

Aside from the reasons of national interest mentioned before, the need for the agreement has another reason, one of a political nature. It is evident that the abnormal situation under which we have lived during the past 9 years cannot continue. Everyone feels this way and is expressing it. But the climate of fear in which we live makes it hard for anyone to take the initiative to call for a national understanding. Neither the government nor the opposition can overcome their mutual distrust. The issue of the continuation in power remains in suspense while time passes. It might occur, rather, I say that it will inevitably occur that in a very typical Panamanian fashion we will come up with a hasty and improvised solution at the last minute. [applause]

Nobody wants or expects this to happen. This would be another historic catastrophe, for which we would all feel guilty, because we will not be able to prevent it unless someone takes the responsibility to speak up while there is time and submits, if not a solution, at least the procedure to achieve it.

The government is confronting a situation with which we are all familiar. It wants the treaties to be approved and knows what it has to do to reduce the pressure which the people in the United States are exerting on their senators and which the senators, in turn, are exerting on President Carter, asking that the approval of the treaties be postponed until the Panamanian Government permits the exercise of democracy in the country. [applause]

If General Torrijos' government accepts the existence of political parties, allows the exiles to return to the country now and not after the approval of the treaties, [applause] if he issues the electoral law and the laws concerning press and public order, President Carter, the U.S. Senate and public opinion could not justify the nonratification of the treaties using as an excuse that they are dealing with a dictatorship. [applause]

However, the government's position is precisely in favor of those who oppose the treaty, for the following reasons: the government maintains that those in exile will not return until the treaties are approved, which leads one to believe that once the treaties are ratified the government will not fulfill its promise.

Next, it abolishes the laws on public order and drafts others which are just as harmful. Bills on the press, on public powers and on constitutional order are weapons being held over the heads of Panamanians who do not sympathize with the government.

Elections have been called for 6 August 1978, but nobody up to this date knows anything about it. [applause]

A total disregard of political parties as the only known vehicle for the exercise of democracy continues.

Why does the government continue to maintain an executive, legislative and judicial structure that is inoperative and strongly criticized, a system which in fact is the cause of discontent and distrust and which is precisely preventing the proper climate for investment and the economic and social development of the country?

Televisora Nacional on its "Enfoques" program last Tuesday carried an interesting interview with Dr Romulo Escobar Bethancourt, who said on that occasion that the government's constitutional structure will remain as it is. Without further explanation, he simply disregarded the issue with the simple argument that in order to carry out a change, as Dr Galindo had suggested, it was necessary to violate the constitution.

If changes in the structure are necessary to restore normality, confidence and prosperity, the government must hold a dialog with the opposition in order to reach formulas that will give us the right solutions, according to the best ways and general desire to arrive at them without causing social disturbances.

I leave this matter of national importance for the chief of government and his closest assistants to think about it.

I take advantage of this occasion to bring to the attention of all politicians the existence of the unpostponable obligation to review the events of the past and to consider the demands of the future so that we can harmonize the ideas and behavior of political groups in the best interest of the nation.

As an example of assuming my responsibility on behalf of my country and my party, I think the time has come to review the errors which were committed, to experiment with the methods used by the revolutionary process and to undertake with firm resolve our proper organization so that we can assure positive results for our society. I will put all my energy into reorganizing a big and strong democratic, representative and liberal political party. [applause]

Therefore, I say that in the best interest of our country we must forget our past divisions and look only toward the future, realizing that we must unite in order to form a solid bloc with the will to serve the nation and with strong popular support, a bloc which deserves respect and trust because of its actions. [applause]

I take this occasion to remind so many worthy citizens, now dispersed, skeptical and lacking faith, of their obligation not just to their country but also to their parents.

We still can hear the words of Mendoza, Porras, Chiari, Morales, Diaz Arosemena, Don Pancho Arias, Crespo and Enrique Jimenez and the many other political leaders who wrote the indelible pages of the history of our nation. They also went their own way for reasons which we now are not going to analyze. When the nation needed them, they united and set aside personal feelings, realizing the need to be strong to wage the political battle of their time. Following their example, we must unite in a single broad party that promotes and make possible the democratic exercise the country needs.

On this occasion, I declare that my efforts in behalf of the unity and organization of a great party with a democratic platform and with opportunities for everyone are made in accordance with my patriotic duty. I also wish to emphasize that I do not have ambitions of any kind. [applause] It is my opinion that those who participate in this great crusade for the country's progress and respect for its institutions should disinterestedly contribute to make these ideas possible.

We have followed with great interest the results of talks between the chief of government and some U.S. Republican senators. Their arguments that the treaties will not be ratified without amendments and additions is unacceptable to Panama. The U.S. senators and the American people should realize that our country has gone far enough in granting concessions and that it showed great maturity by ratifying the treaties in a plebiscite, even if the treaties did not completely meet Panama's aspirations. But to try to add more to what has already been agreed to after 13 years of negotiations is contrary to U.S. seriousness and the respect due to Panama. [applause] What has been achieved after lengthy studies and negotiations with the participation of U.S. Government agencies, including the Pentagon, cannot be modified by the whim of certain persons who are using these instruments as a springboard for reelection and are trying to make the people of the United States believe they are in an important political position.

The analysis of the treaties made by the Liberal Party was patriotic and apolitical. We also said that though it did not satisfy our aspirations, we should vote yes in the plebiscite because, at present, it was the most we could obtain. Our experience today is proving our point.

We have constantly listened to strong criticisms levied against the National Guard. If we analyze these criticisms carefully, we can see that that they are the result of the military institution's participation in the state's affairs. Owing to this participation and being under the command of the chief of government, who is a politician by virture of the position he holds, the National Guard also is the target of criticism directed against the chief of government.

I believe the National Guard deserves the support, appreciation and respect as an institution in charge of maintaining public order, guaranteeing the people's safety and seeing that laws and the constitution are not violated. When most citizens are resting, sleeping or enjoying themselves, National Guardsmen are on duty, at times during bad weather. For them, poorly paid, there is no overtime for working nights or holidays, and they are often forced to stay in their barracks.

Therefore, we believe it is unfair that in exchange for their valuable services they are the subject of criticism, disapproval, malice and even hatred. But this is the consequence of the National Guard's participation in politics and its belligerent actions. This must stop, so that we can see in the National Guard a highly professional body that is liked and respected, even more if and when the treaties are ratfied and they assume additional responsibilities for the joint defense of the canal.

We persist in our belief that political parties must be recognized as the only efficient vehicles for the exercise of democracy.

The argument of government top officials that they have been too busy with the canal negotiations is unacceptable. For the past 9 years they have had enough time to legislate on this subject. I am announcing that next week we are going to ask that the decree that abolished the political parties be declared unconstitutional. It is not only illegal, it just does not conform to reality becuase the political parties are alive, and proof is that we are organizing the struggle for the democratization of the government. [applause]

I have related in broad terms some of the sincere worries that good Panamanians have in their heart. They deserve study as solutions. May God see that my words do not fall on deaf ears. If this should happen, at least I will have the satisfaction of having called on all Panamanians to unite in a national and patriotic effort to bring progress and happiness to the people.

We have received the unexpected news of Senator Humphrey's death. Democracy has been deprived of one of its most outstanding champions. We have lost a creative mind at a time when there is great need for persons who can guide public opinion and whose ideals of liberalism and social justice can open new horizons and progressive paths for mankind.

We join the people of the United States, the free nations of the world and those struggling for liberation in their mourning. [applause]

MINISTER DISCUSSES GREATER EMPHASIS ON EXPORTS

PA122009Y Panama City Televisora Nacional in Spanish 2315 GMT 11 Jan 78 PA

[Text] Julio Sosa, commerce and industries minister, and Nicolas Ardito Barletta, planning and economic policy minister, this afternoon held a meeting with representatives of Panama's industries to discuss a bill to promote exports, which according to Minister Barletta has the approval of the government and the economic commission that studied it. Barletta told the industrialists that the government is interested in increasing and diversifying exports to achieve a balance and to increase income for Panamanians.

Meanwhile, Minister Sosa explained the bill creating the Foreign Commerce Institute and eliminating some administrative obstacles to exporting. Sosa believes local exporters are real heros because of the difficulties they must overcome to place their products abroad.

In an interview granted by Minister Barletta to newswoman Luz Maria Noli, he revealed that the Panamanian Foreign Commerce Institute will have an initial budget of 950,000 balboas which will be increased later when the institution increases its activities. [recording begins]

[Question] Why is the government interested in promoting exports?

[Answer] The Commerce and Industries Mini try and the Planning and Economic Policy Ministry, acting in behalf of the government, are taking the lead in promoting increased exportation of Panamanian products. One of the main economic problems in our country is the deficit in the balance of payments. Due to the world economic crisis and other national economic circumstances, the difference between what Panama exports and imports has increased to 200 million a year. This is one of the factors delaying the growth and opening of new jobs in the country. Therefore, we must increase our effort to solve this problem and to maintain a healthier economy for the next 10 or 15 years by promoting more exports.

At this meeting we are looking at the many Panamanian businessmen who have been successful in increasing exports of their products to Central America, the Caribbean and other regions. We are also discussing a bill on the Panamanian Foreign Commerce Institute, the main objective of which is to promote Panamanian exports. Even more, a large portion of the big projects the government is carrying out, such as the fishing port, the expansion of Colon's free zone, tourism projects, the airport, are projects intended to promote exports of goods and services. This is a field in which workers, industrialists and professionals can work together to benefit the country. In the way we encourage its importance and implement the appropriate laws and every Panamanian realizes the importance of exporting goods and services, in that way we are going to help in accomplishing the country's economic recovery and sustained progress.

[Question] How is this law going to promote exports?

[Answer] The Panamanian Foreign Commerce Institute exists already under the Commerce and Industries Ministry. What we are seeking now is to broaden its size and functions. For example, in order to export we must find markets, what can be exported, how to make contacts with buyers, how to transport the products. And how to help in financing exports. All these elements are needed to succeed. The Panamanian Foreign Commerce Institute will be a state agency strengthened to help in carrying out these activities in an efficient way. In other words, to help industrialists who wish to export their products.

This type of institution exists in other countries. For example, in Colombia it is called PRO-EXPO and has managed to increase Colombian exports by more than 300 percent in the past 7 years. Many of the Colombian products we are buying are made available through the support that PRO-EXPO has given to Colombian exporters. Therefore, the Panamanian Foreign Commerce Institute will be performing a similar function by supporting Panamanian industrialists.

[Question] Minister Barletta, for this you need economic resources. What funds are going to be appropriate for this activity?

[Answer] The Panamanian Foreign Commerce Institute's budget in 1977 was approximately 375,000 balboas, but in 1978 it can count on 950,000 balboas thereby doubling its activities in this initial stage. [end recording]

GUATEMALA

POLITICAL OPPOSITION FEARS ELECTION FRAUD IN MARCH

PA132142Y Panama City ACAN in Spanish 0240 GMT 12 Jan 78 PA

[Text] Guatemala City, 11 Jan (ACAN-EFE)--Gen Ricardo Peralta Mendez, presidential candidate for the opposition Guatemalan Christian Democracy [DCG], today challenged President Gen Kjell Laugerud Garcia to guarantee respect for the popular vote in next March's general elections. The DCG candidate said that an electoral fraud is being planned in favor of the "official" candidate, Gen Romeo Lucas, who has the backing of the middle-of-the-road Revolutionary Party [PR] and the government's democratic Institutional Party [PID].

"I will not permit the March elections to be stoken from us. The people of Guatemala will all turn out to prevent another fraud," said Peralta Mendez, former commander in chief of the navy who has been credited with being a "Peruvian-style soldier." The DCG candidate charged that several cabinet ministers are actively campaigning for General Lucas and that government resources have been placed at his disposal. "I can see the danger in which Guatemala would be placed if a fraud is perpetrated in the March presidential elections because the mockery of the popular will would cause anarchy and set the country on fire due to the great social convulsion which that adventure would cause," said Peralta Mendez.

The DCG candidate added that "it is necessary that the popular will expressed at the polls be respected because the Guatemalan people no longer believe in elections as a result of the traditional electoral manipulations. They have no confidence in the vote and do not believe that their will is respected." Peralta Mendez said that the president should guarantee honest elections this time and not fraud.

NICARAGUA

AUTHORITIES INCREASE VIGILANCE ALONG BORDER

PA161941Y Havana International Service in Spanish 1600 GMT 16 Jan 78 PA

[Text] The Nicaraguan National Guard has increased its vigilance along the border with Costa Rica in an attempt to prevent further desertions by members of the National Guard, the Costa Rican newspaper LA REPUBLICA has reported.

According to the newspapers, a National Guard detachment, supported by Piper Cub planes, has been deployed along the border.

So far this month, a lieutenant and a corporal from the Nicaraguan National Guard have deserted by crossing the border to Costa Rica and asking for political asylum. They disclosed that over 3,000 peasants have been killed by Somoza's regime.

BUSINESSMEN TRYING TO FORM CIVILIAN-MILITARY JUNTA

PA161609Y Paris AFP in Spanish 0132 GMT 16 Jan 78 PA

[Text] Caracas, 15 Jan (AFP)--Several groups of businessmen in Managua are trying to get President Anastasio Somoza to resign and to form a civilian-military junta, Alejandro Cole Chamorro, a Nicaraguan newsman exiled in Venezuela, told AFP here today.

Cole is a cousin of Pedro Joaquin Chamorro, the newsman slain last week in Nicaragua.

Cole, chief editor of the Maracay newspaper EL ARAGUENO, disclosed that Defense Minister Gen Guillermo Noguera is the leader of the businessmen's groups trying to form a civilian-military Junta. He added that his contacts in Managua and Costa Rica have told him by telephone that the Nicaraguan Government has lost control of the situation, that casualties from clashes between the National Guard and Sandinist guerrillas are high and that Managua is in chaos.

SOMOZA MEETS PRESS ON CHAMORRO CASE

PA161735Y Panama City ACAN in Spanish 1720 GMT 16 Jan 78 PA

[Text] Managua, 16 Jan (ACAN-EFE)--President Anastasio Somoza today said that, if need be, his administration will hire international investigators to solve the case of the slaying of Pedro Joaquin Chamorro Cardenal, a newsman and opposition politician, on 10 January. General Somoza held a news conference with local newsmen this morning at the military casino shortly before starting a meeting with the cabinet and the presidents of the autonomous agencies.

Somoza again condemned the killing of the editor of the newspaper LA PRENSA, stressing that "it has affected me deeply."

Answering newsmen's questions, he said that up to now there has been no report that any administration official was involved in the killing. He also noted that there is no evidence that former administration officials were involved in the "heinous crime."

Somoza warned, however, that "if any current or former administration official is involved, the full weight of the law will fall on him."

The Nicaraguan chief executive said that all the killers will be questioned again by the police and the courts.

The president was asked whether, as the man who is best informed in the country, he could say who paid the killers. Somoza replied that in his experience investigating the assassination of his father (Gen Anastasio Somoza Garcia), it is "dangerous to mention any names." He added: "I would not dare do so."

In his confession, one of the killers said that a Cuban-American named Pedro Ramos paid $14,000 for Chamorro's assassination.

Somoza stated that the names of the guilty parties will be disclosed in court. He reiterated, however, that his administration is willing to do all it can to get to the bottom of things.

General Somoza firmly cautioned: "Be very careful about involving me or the administration in this crime, because I will defend myself with the facts." He added that this is a time for "setting feelings aside and putting things in proper perspective."

In Somoza's opinion, many of Chamorro Cardenal's friends would like the results of the investigation "to suit them." However, Somoza said, in order to be just, the court must do what is right to find out who the real killers are.

The president noted that he has reason to repudiate the killing of the newsman, who opposed him from the pages of the newspaper LA PRENSA, "because I was a victim of the same kind of violence when my father was assassinated."

"What happened to Dr Chamorro is something that the country does not like and it should not happen again," General Somoza remarked. He added that Chamorro's work benefitted Nicaragua. "His work was legitimate, even though not entirely appropriate [correcta]. But, all in all, it served the nation."

The president criticized those who used the death of the opposition leader as a pretext for causing disturbances and property damage in Managua. "I hope that the country will continue its normal activities as it has until now and that the citizens will pay no attention to those agitators who seek to disrupt Nicaragua's daily life," the president added.

Somoza asked Nicaraguans to cooperate by informing the authorities of the movements of all those who participated in the assassination.

He denied that Silvio Pena Rivas, the leader of the newsman's murderers, had been brought before him some days ago. "I regret," he said, "that the newspaper LA PRENSA is publishing information that is not true. It is not true that Silvio Pena came to Montelimar (Somoza's private estate) to talk with me."

Further Details

PA162022Y Panama City ACAN in Spanish 1943 GMT 16 Jan 78 PA

[Text] Managua, 16 Jan (ACAN-EFE)--In the face of rumors to the effect that Nicaragua's (minority) Conservative Party will not participate in the municipal elections, President Anastasio Somoza said today that he will "give other opposition parties the right to petition."

The Conservatives, the nation's sole legal and acknowledged opposition party, want the 5 February municipal elections postponed until the political climate has improved.

In a news conference this morning, General Somoza said he had no knowledge of any such Conservative request. He said, however, that if this is true, the request would have to undergo debate in two legislatures because it is a constitutional matter.

"If, on the other hand, the Conservatives decide to withdraw from the elections, that is their affair." He said that it would be better since my government would give the right to petition [derecho a peticion] to other opposition parties.

Speaking in a vigorous tone, General Somoza added: "They are not going to blackmail me any more, nor am I going to stand for their tantrums [berrinches]. The National Liberal Party (now ruling) will go ahead with the municipal elections just as it has for 50 years."

Later, with regard to the future of the "national dialog" proposed last year, the president said that if the Democratic Liberation Union [Union Democratica de Liberacion] (whose leader was the murdered newsman Pedro Joaquin Chamorro) does not want to dialog, his Liberal Party will do so "with any other political group."

A question immediately arose: Even with the guerrillas of the Sandinist National Liberation Front?

General Somoza insisted: "I will talk with anyone if it will benefit the fatherland. If the Sandinist Front would put down its arms, we could talk."

A Mexican newsman asked whether the president, given the recent events, has detected disloyalty within his cabinet or in the army. He said no, conceding only an "isolated case" of desertion from the National Guard.

The president added that for some time a group opposed to his government has been trying to disrupt peace in Nicaragua. "I believe that these persons are using Dr Chamorro's death as a pretext to launch an international campaign to attempt to overthrow my government," he said. "I deduce this," he said, "because they are trying to implicate my government or me in the assassination of Dr Chamorro, something which I emphatically deny. I urge them to be careful, because I will defend myself," he added.

In regard to his government's position in the wake of the opposition newsman's death, General Somoza said: "My government is organized. We are providing services to the country. We are working, although there are persons who wish to take advantage of this assassination to create problems. However, the government is strong."

While answering the newsmen's questions, President Somoza announced that he was leaving the presidency in 1981. About continuing as chief director of the National Guard after 1981, he said: "Whether or not I continue as chief director of the National Guard is a matter to be decided by the future president of Nicaragua."

On rumors from newsmen that U.S. Senator Edward Kennedy would come to Nicaragua in the next days, General Somoza said that he has no objections. He said, however, that he had no official report on Kennedy's trip. He said that if Senator Kennedy wishes to visit Nicaragua, the government will welcome him with a delegation from Congress.

CHAMORRO'S CONFESSED MURDERER RETRACTS CONFESSION

PA170229Y Panama City ACAN in Spanish 2324 GMT 16 Jan 78 PA

[Text] Managua, 16 Jan (ACAN-EFE)--The confessed murderer of Dr Pedro Joaquin Chamorro Cardenal unexpectedly denied today before the Managua First District criminal judge that he had fired the shots which killed the newsman and politician last Tuesday.

Domingo Acevedo Chavarria, who last Saturday declared before the police judge that it was he who had fired three times with his 12 caliber shotgun at Dr Chamorro, today said that Silvio Rena Vega, who was driving the vehicle, had wrested the weapon from him and fired the shots.

He said that "after the first collision between the newsman's car and that of the murderers, Chamorro Cardenal left his automobile and insulted them. When Chamorro returned to his seat Vega took the shotgun and fired from the street at close range."

The second collision with the automobile driven by Chamorro left the criminals' automobile nonoperational. They were picked up by Silvio Pena Rivas, who was following in another car, and were taken to Leon, 91 km west of Managua, where Acevedo Chavarria lives.

The prisoner was taken to court under heavy guard. Police patrols had closed off the neighboring streets.

The new version given by the paid assassin, who now says he refused the offer by Pena Rivas--who paid him--to commit the murder, has been the subject of many comments by people who want to know the identities of the intellectual authors of the opposition newsman and politician's murder.

Penas Rivas said that it was the Cuban-North American, Pedro Ramos, who lives in Miami. This version is considered by the Chamorro Cardenal family to be inaccurate.

CHAMORRO FAMILY NOT TO FILE CHARGES

PA162331Y Panama City ACAN in Spanish 2029 GMT 16 Jan 78 PA

[Excerpts] Managua, 16 Jan (ACAN-EFE)--The family of assassinated newsman and opposition politician Pedro Joaquin Chamorro will not file charges against the four arrested persons who have confessed to the crime because "it does not acknowledge the Nicaraguan courts' ability to clear up the crime."

"We will not make any accusation because the Nicaraguan courts are incapable of judging this crime," Jaime Chamorro Cardenal, the victim's brother said. "In this country, there is no justice and we will not submit to a regime of injustice," lawyer Rafael Cordoba Rivas said. This morning the lawyer read Chamorro Cardenal's political will.

"Besides," Cordoba Rivas added, "as jurist Concepcion Arenales said in Spain, political crimes are resolved politically, not legally."

The brother of the assassinated newsman has revealed that he has presented documents to the U.S. Embassy regarding the investigation to be carried out in the United States of Dr Pedro Ramos. According to Jaime Chamorro, the alleged intellectual author of the crime has already been summoned by the U.S. justice system.

Raymundo Romero Chavez, representative of the public ministry, today said that those arrested and all those involved in the crime will be accused in the name of the society.

FSLN BLAMES CHAMORRO DEATH ON SOMOZA DYNASTY

PA130337Y Buenos Aires LATIN in Spanish 0030 GMT 13 Jan 78 PA

[Text] Mexico City, 12 Jan (LATIN)--The self-styled Sandinist National Liberation Front [FSLN] stated here today that "a paramilitary band organized and armed by the Somoza dynasty executed" Nicaraguan newsman Pedro Joaquin Chamorro.

In a communique released this afternoon to the news media, including international news agencies, the FSLN said that "this crime proves the just cause of our revolutionary goals and demands for the overthrow of the Somoza dictatorship."

The document, datelined "some place in Nicaragua," includes the picture of Nicaraguan General Cesar Augusto Sandino whose name is part of the name of the organization.

"The people have no other alternative but to fight without quarter to overthrow the tyranny," the communique says. According to the communique, the FSLN reasserts the need to create a "great anti-Somoza popular front that will include all the nation's democratic forces so that the revolutionary violence of the masses headed by our political military organization will give the final blow to the dictatorship and create a popular democratic government."

"The FSLN repudiates the murder of newsman Pedro Joaquin Chamorro, executed by a paramilitary gang organized and armed by the dynastic regime," the communique states. It adds that the Liberal Somoza Youth has as honorary president Anastasio Somoza Portocarrero "son of the tyrant," and that these liberals include ministers and government officials and employees. This group published in the newspaper NOVEDADES a manifesto saying that "the time had come for the physical elimination of the enemies of the dictatorship."

NOVEDADES, a newspaper belonging to the Somoza family, is the only morning newspaper in Managua. LA PRENSA directed by Chamorro is an afternoon newspaper.

According to the FSLN, "months before (a Sandinist offensive carried out in October) a member of the Liberal Somoza Youth had announced at a press conference in his home the creation of a 'white hand' made up of military and anticommunist officials of the Somoza regime."

The "white hand" is an extreme right underground organization which operated in Guatemala some years ago when the country was experiencing a wave of leftist and rightist violence.

The FSLN said in the communique that "the dictatorship in December 1977 promoted "white hand" members to key government posts. This is the case of Chester Escobar Ramirez, secretary general of the Somoza Youth, who was appointed treasurer and Jaime Aguilero, who was appointed vice minister."

The document adds that "courageous Lt Jose Antonio Robleto Siles who rebelled against the dynasty denounced the fact that within the National Guard there operate terrorist groups, one of them known as the 'mean faces' which carry out kidnapings and executions of farmers and industrialists."

Robleto, according to the communique, "also denounced extermination corps which have murdered thousands of our brother peasants, workers and students in the streets and fields. They are directed by the National Guard General Staff from Somoza's bunker."

The FSLN said that "the National Guard colonel in Mozonte, Nueva Segovia Department, threated physical reprisals against newsmen a few days before Chamorro's murder." The communique says that the FSLN Carlos Fonseca Amado Column operates in that region.

The FSLN said that the "publication of the charges against the Plasma Feresis Company which trafficks in the blood of Nicaraguans and which is operated by Cuban worms, partners of Somoza and connected with the international Mafia, cannot be disconnected from this crime."

Chamorro waged a newspaper campaign against Plasma Feresis, a company exporting blood plasma to the United States, and the opposition called Somoza a "vampire."

"...The accusations of fiscal fraud, smuggling, sale of autombiles stolen in the United States, the land deals, the scandalous dealings of the dictator's son with international loans, all these are motives for the Somoza plot to carry out the murder."

The National Guard today announced in Managua that the Chamorro murder case was "80 percent solved" and promised a communique tomorrow that "will completely explain the motives for the killing." Four persons have already been arrested as suspects in Chamorro's death.

PORTUGUESE LEADER ARRIVES ON OFFICIAL VISIT

FL162100Y Havana Domestic Service in Spanish 1100 GMT 16 Jan 78 FL

[Text] Maj Ernesto Melo Antunes, member of Portugal's Council of the Revolution and president of the Constitutional Committee, has arrived in Havana on an official visit to our country. Present at the air terminal to welcome the distinguished visitor were Dr Raul Roa, member of the Council of State and vice president of the People's Government National Assembly, and Foreign Minister Isidoro Malmierca.

Visits Havana Museum

FL162105Y Havana Domestic Television Service in Spanish 1800 GMT 16 Jan 78 FL

[Excerpts] Maj Ernesto Melo Antunes, member of Portugal's Council of the Revolution and president of the Constitutional Committee, has paid a visit to the Granma memorial and the Museum of the Revolution of Havana City.

Meets With Malmierca

FL171110Y Havana Domestic Television Service in Spanish 0100 GMT 17 Jan 78 FL

[Text] Cuban Foreign Minister Isidoro Malmierca this morning received Maj Ernesto Melo Antunes, member of Portugal's Council of the Revolution and president of the Constitutional Committee. During the meeting, matters of interest dealing with the relations between Cuba and Portugal were discussed and opinions on the international situation were exchanged. Major Melo Antunes is paying an official visit to Cuba at the invitation of the People's Government National Assembly.

Meets With Blas Roca

FL171305Y Havana Domestic Service in Spanish 1145 GMT 17 Jan 78 FL

[Text] Blas Roca, member of the Council of State and president of the People's Government National Assembly, has received Maj Ernesto Melo Antunes, member of Portugal's Council of the Revolution and president of the Constitutional Committee. Also participating in the talks were Raul Roa, member of the Council of State, and Jose Aranaburu, vice president and secretary, respectively, of the National Assembly, as well as Lourdes Urrutia, deputy to the National Assembly.

FANNY EDELMANN HOLDS PRESS CONFERENCE

FL171120Y Havana Domestic Television Service in Spanish 0100 GMT 17 Jan 78 FL

[Text] Fanny Edelmann, secretary general of the Women's International Democratic Federation [WIDF], held a press conference on the occasion of today's inauguration of the Latin American regional center of the WIDF. Attending the conference was Vilma Espin, member of the PCC Central Committee and president of the Federation of Cuban Women.

In the press conference, Fanny Edelmann pointed out the importance of the inauguration in Cuba of the regional center. The women's leader has been visiting Cuba since 13 January.

MACHADO VENTURA MEETS WITH ARAB DELEGATION

FL171140Y Havana Domestic Service in Spanish 1100 GMT 17 Jan 78 FL

[Text] Jose Ramon Machado Ventura, member of the PCC Politburo and Council of State, has met in Havana City with the delegation of the Permanent Secretariat of the Arab Popular conference. The delegation is composed of (Ahmad Atavit) of Libya, (Hasan Matar) of Lebanon, (Basmil Kadamur) of Western Sahara and (Faruq 'Abd al-'Ati) of Palestine. Participating in the talks for the Cuban side were Foreign Minister Isidoro Malmierca and Antonio Enrique Lusson, president of the Cuban-Arab Friendship Association, both members of the PCC Central Committee.

During the talks, matters dealing with the agreements adopted in the conference recently held in Tripoli, capital of Libya, were discussed as well as the struggle of the Arab peoples against the Zionist Israeli regime and Cuba's solidarity with the zone's revolutionary peoples.

CUBA NAMED TO INTERNATIONAL SUGAR COUNCIL VICE PRESIDENCY

FL171240Y Havana Domestic Service in Spanish 1100 GMT 17 Jan 78 FL

[Text] Egypt and Cuba have been designated to the presidency and vice presidency, respectively, of the International Sugar Council, which is holding a session in London. Egypt represents the sugar-importing countries, which is why it occupies the presidency, while Cuba, representing the exporting nations, assumes the vice presidency. The current session is the first to be held under the auspices of the new sugar agreement which went into effect at the beginning of this year and which was approved last October in Geneva.

NONALINED SUMMIT MEETING PREPARATORY COMMITTEE ESTABLISHED

FL161950Y Havana Domestic Service in Spanish 1145 GMT 16 Jan 78 FL

[Text] Juan Almeida Bosque, member of the PCC Politburo and vice president of the Council of State, heads the National Preparatory Committee of the Sixth Nonalined Countries Summit Conference, which will be held in Havana during the second half of 1979. Ramiro Valdes Menendez, member of the PCC Politburo and vice president of the Councils of State and Ministers, has been designated first vice president of the National Preparatory Committee.

The vice presidencies have been assigned to Guillermo Garcia Frias and Carlos Rafael Rodriguez, members of the PCC Politburo and vice presidents of the Councils of State and Ministers, and Pedro Miret Prieto and Div Gen Sergio del Valle Jimenez, members of the PCC Politburo and the Council of State. The remaining vice presidencies are occupied by PCC Central Committee Secretariat member Antonio Perez Herrero, Flavio Bravo Pardo, member of the PCC Central Committee and Council of State and vice president of the Council of Ministers, Council of State member Haydee Santamaria Cuadrado and Foreign Minister Isidoro Malmierca. Celia Sanchez Manduley, member of the PCC Central Committee and secretary of the Council of State, has been designated secretary of the National Preparatory Committee.

The National Preparatory Committee of the Sixth Nonalined Countries Summit Conference is charged with coordinating all activities related to the preparation and successful development of the national organizing tasks for this important event, which will be held in our country during the second half of next year.

ARMANDO HART COMMENTS ON CHILEAN, PANAMANIAN CULTURES

PA142350Y Havana International Service in Spanish 1600 GMT 14 Jan 78 PA

[Text] The delegates of the Fourth Intergovernment Conference on Cultural Policies in Latin America, which is taking place in Bogota, have begun the study of the cultural dimensions of development. The meeting, attended by 26 delegations, is sponsored by UNESCO.

In the previous session UNESCO Director General Ahmadou M'bow said economic growth cannot be considered an end but a means to assist in the great effort of complete development whose essential component is culture. He also emphasized the necessary responsibility of the state in establishing cultural policies, explaining that UNESCO does not seek to have these imposed. Culture, he stressed, cannot be encouraged either through decrees or laws but comes spontaneously from people.

In the meantime, Cuban Culture Minister Armando Hart, who heads the Cuban delegation to the conference, reaffirmed in Bogota that in discussing cultural identity in Latin America, the colonial case of Puerto Rico must be broached.

In an interview with PRENSA LATINA, Armando Hart said that the Chilean fascist military junta headed by Augusto Pinochet, in trampling upon Chile's democratic tradition, has 'quashed' an essential aspect of the Chilean people's culture. He added that the presence of U.S. military forces in the Canal Zone prevents the development of the Panamanian people's cultural identity.

Hart concluded by emphasizing the need to assist the development of a greater process of democratization in all cultural fields of Latin America.

GRANMA COMMENTS ON NICARAGUAN GOVERNMENT SITUATION

PA142323Y Havana International Service in Spanish 1800 GMT 14 Jan 78 PA

[Text] The Cuban newspaper GRANMA says that the murder of Nicaraguan newsman Pedro Joaquin Chamorro is a despicable crime which has served to make more evident the desperate situation of the Somoza regime in view of the offensive carried out by the democratic forces and the revolutionary vanguard--the Sandinist National Liberation Front.

The Cuban Communist Party publication notes in its latest issue that the violent popular demonstrations in Managua following the funeral of the murdered opposition leader merely reflect the political and economic crisis existing in that Central American country subjected to a long and bloody pro-imperialist dictatorship.

JET PILOT CANDIDATES LEAVE TO STUDY IN USSR

FL131420Y Havana Domestic Service in Spanish 1342 GMT 13 Jan 78 FL

[Text] A farewell ceremony has been held in Havana for the jet pilot candidates, who will be studying in the USSR, hosted by the Union of Young Communists, UJC, and the Federation of Intermediate Level Students. Attending were Education Minister Jose R. Fernandez and UJC First Secretary Luis Orlando Dominguez, both PCC Central Committee members; Brig Gen Francisco Cabrera, Revolutionary Armed Forces vice minister; PCC Central Committee department of organization chief Jorge Valdes, and other leaders.

In the name of the candidates, Wilfredo Perez, son of the pilot of the plane sabotaged by counterrevolutionary agents near Barbados, read the group's pledge and stated that they will fully complete the mission they have been assigned.

In his closing remarks, the education minister expressed confidence that they will be true to the lofty mission which the party leadership and the revolution have assigned them.

MEMBERS OF ANTONIO MACEO BRIGADE DEPART FOR HOME

FL141835Y Havana Domestic Television Service in Spanish 1800 GMT 14 Jan 78 FL

[Text] The young emigres who made up the first contingent of the Antonio Maceo Brigade, which paid a visit lasting several days to Cuba, departed this morning for different cities in the United States and Puerto Rico. In a communique, read at the Jose Marti International Airport, the brigade members pointed out: Our commitment is to rescue for the fatherland the children of those who left. Our presence here, which lasted 3 weeks, and that commitment morally constitute a colossal victory of the Cuban revolution's principles.

At the air terminal, the young emigres were seen off by Culture Vice Minister Alfredo Guevara and Rene Rodriguez, president of the National Institute of Friendship With Peoples [ICAP], as well as other officials of the institution. The ICAP president bade farewell to the Antonio Maceo Brigade members by saying: On behalf of the fatherland, we will see you soon.

CAMAGUEY PROVINCIAL ASSEMBLY SENDS LETTER TO FIDEL CASTRO

FL161910Y Havana Domestic Service in Spanish 1145 GMT 16 Jan 78 FL

[Text] Commander in Chief Fidel Castro, first secretary of the PCC Central Committee and president of the Councils of State and Ministers, has received a letter from the delegates to the first extraordinary session of Camaguey's People's Government Provincial Assembly.

In the letter, the delegates point out that in the extraordinary session the plan for the economy and state budget for the year 1978 has been examined in the light of the magnificent speech made by the commander in chief last 24 December during the second ordinary session of the People's Government National Assembly. It is also stressed that Camaguey's Provincial Assembly, interpreting the feelings of the people of Camaguey and on behalf of the province's working masses, has agreed to give unanimous support to his orientations and to outline a work direction which would lead the people to successfully fulfill the objectives called for by the 1978 plan.

After announcing the commitment of the residents of Camaguey for 1978, the letter stresses that the assembly has acknowledged Fidel's proposals and, on behalf of all the people, wishes to affirm that they will work tirelessly to attain those objectives and they are ready to fulfill the missions that the commander in chief and the party assigns.

BARBADOS

OPPOSITION NAMES NEW LEADER

FL141855Y Bridgetown ADVOCATE-NEWS in English 11 Jan 78 p 1 FL

[By Glyne Murray]

[Excerpt] Barbados' hottest political question for the year was answered yesterday when Errol Walton Barrow was named as the next leader of the opposition.

The announcement which did not come as a complete surprise, thus ended a week of speculation following Mr. Frederick Smith's announcement that he was stepping down from the major parliamentary post he had held for 16 months.

The tersely worded press statement from the Democratic Labour Party (DLP) yesterday, did not convey the intense conjecture that had enveloped the nation since last Tuesday.

The two-sentence, 87-word release simply said that Mr. Barrow, former prime minister and president of the DLP, had been "unanimously" elected to the post at a meeting of the party's parliamentary group.

The group consists of the party's seven members of the House of Assembly and its two representatives in the Senate--the upper chamber of Parliament.

The party communique pointed out, however, that Mr. Barrow will not immediately assume his new role and responsibilities because of a "prior commitment" which will necessitate his periodic absence from Barbados over the next few months.

This is taken as a reference to a reported temporary teaching appointment for Mr. Barrow at the prestigious Yale University in the United States.

The DLP said that Mr. Smith had "agreed" to continue to serve as opposition leader until Mr. Barrow had satisfied his overseas commitment.

JAMAICA

JAMAICAN DOLLAR AGAIN DEVALUATED

FL162015Y Kingston DAILY GLEANER in English 14 Jan 78 pp 1, 15 FL

[Text] There has been another devaluation of the Jamaican dollar. The local currency has fallen once more against the United States dollar, taking the special rate to J$1.35 and the basic rate to J$1.05.

By moving from the previous figure of J$1.28, the Jamaican dollar is now down by seven cents against the U.S. dollar on the special rate, moving from J$0.909091 to its new figure.

In terms of percentage, the Jamaican dollar is now devalued by another 5.5 per cent against the American dollar on the special rate and by another 15.5 per cent on the basic rate. The effect of this is to bring both rates closer together.

This is the third devaluation of the Jamaican dollar to take place in the 1977-78 financial year. The first, in April of last year, introduced the two-tier system for the first time, creating a special rate of J$1.25 and a basic rate of J$0.90. The second, last October, increased the special rate of J$1.28.

On the special rate, the effective devaluation of the Jamaican dollar is now at 45.5 per cent. The first devaluation in April was of the order of 37 and one half percent, and the one in October put the figure at 40 per cent.

An official announcement by the minister of finance, the Hon. David Coore, gave word of the latest devaluation. The local foreign exchange market will be closed today and will not re-open until next Wednesday morning when financial transactions resume at the new rates.

On the minister's behalf, the Bank of Jamaica issued the following news release yesterday afternoon:

"The honourable minister of finance and planning in exercise of the powers conferred by Section II of the Bank of Jamaica Act has today issued on order changing both the basic and the special rates of exchange for the Jamaica dollar as follows:

Basic rate	From US$1.00	J$0.909091
	To US$1.00	J$1.05
Special rate	From US$1.00	J$1.28
	To US$1.00	J$1.35

"The foreign exchange market will be closed on 14th January, 1978 and re-opened on the morning of 18th January, 1978. During this period commercial banks will not buy or sell foreign exchange except in the case of bona fide visitors or residents who are bona fide travellers on the following basis:

(A) J$75 which will now be the basic travel allowance to residents;

(B) Such amounts for business and other travel as have been approved by exchange control.

In the case of bona fide visitors, banks are free to buy from them up to the equivalent of J$200 in foreign exchange.

"Except as specified below all transactions involving the purchase and sale of travel funds will be at the special rate of J$1.00 - U.S.$0.74074 cents or U.S.$1.00 - J$1.35 plus or minus normal commission charges.

"Banks are free to reconvert Jamaica dollars previously sold to bona fide visitors up to a maximum of J$200.00 on proof being presented that the Jamaican currency was purchased from an authorised bank by the person concerned, at the conversion rate specified in the voucher given to the visitor by the bank at the time the foreign exchange was sold to the bank. The voucher should be surrendered to the bank and appropriately cancelled.

"The basic travel allowance has been increased by J$3.00 to J$75.00 to permit the purchase of approximately the same level of foreign exchange as could have been acquired with the J$72.00 heretofore.

"On and after 18th January, 1978, the foreign exchange market will be fully operational on the basis of the dual rate of exchange."

MANLEY MEASURES TO MINIMIZE EFFECT OF DEVALUATION

FL162010Y Kingston DAILY GLEANER in English 14 Jan 78 p 1 FL

[Text] Measures which are to be taken to minimise the effect on the cost of living of the latest devaluation of the Jamaican dollar were announced last night by the prime minister, the Hon. Michael Manley, in a national broadcast.

Effective as soon as the necessary legal steps can be taken, the national minimum wage will be raised from $20 to $24 per week, the national minimum daily rate from $4 to $4.80 per day.

Effective immediately, N.I.S. pensions across the board will be increased by slightly over $4 a month. This will increase the basic pension from $6.90 to 7.90 per week.

Public assistance will be increased by $2 to $12 a month.

With regard to the prices of basic commodities, Mr. Manley said the government would be taking action to keep these price movements to a minimum by using the state trading corporation "to cushion some of what would have been the price increases which would normally have followed this devaluation."

"We are able to do this because our first state trading corporation, Jamaica Nutrition Holdings, has done a fine job of holding prices stable while building up a steady stock of reserves to deal with just the sort of difficulties which we now face", the prime minister said.

"We propose now to call on Jamaica Nutrition Holdings to apply some of their accumulated profits to hold down prices as much as possible.

"Naturally, we cannot remove entirely the need for price increases, but our strategy is to keep as low as possible the prices of items which are critical to the survival of poor people."

Mr. Manley said that, to do this, Jamaica Nutrition Holdings will be providing, during this year, direct price subsidies valued at over $15-million.

On Tuesday, the minister of industry and commerce will announce details of the price changes of a number of commodities, the prime minister added.

PARAGUAY

BANK WORKERS FEDERATION PROTESTS DELAYS IN TRIAL

FY130111Y Asuncion ULTIMA HORA in Spanish 12 Jan 78 p 9 FY

[Text] The Paraguayan Bank Workers' Federation has sent a note to the justice and labor minister signed by its secretary general, Adolfo Albospino, and the relations secretary, Carlos Filartiga. The note is in reference to the detention of unionist Quirino Hermosa, a bank worker, in Ypacarai during the last days of December.

Hermosa is on the list of persons at the disposition of the common courts for alleged violation of Law 209, defense of public and individual peace. "Considering that the ministry under your direction does not have court order jurisdiction, this federation wishes to express its alarm at the serious delay in procedure which prohibits the normal exercise of immediate defense measures." The note said this with respect to the fact that the detainee will get a hearing in February.

The Bank Workers' Federation hopes that "the good offices of the public institution will act in favor of the freedom of the detained fellow workers."

URUGUAY

ENCROACHMENT BY BRAZILIAN FISHING BOATS ALLEGED

FY141917Y Montevideo Cadena de Oro del Interior in Spanish 1500 GMT 14 Jan 78 FY

[Text of communique issued by the press office of the Uruguayan Navy Operation Command]

[Text] During a routine cruise by navy units in their careful watch over national sovereignty in the waters of our territorial sea, the destroyer Artigas sighted two fishing ships sailing on a northerly course on Thursday, 12 January 1978. They were operating 5 miles from the lateral boundary with Brazil, inside Uruguayan jurisdictional waters.

When the warship approached them, the fishing boats fled toward the boundary, abandoning their fishing gear. They were pursued and identified as Santa Fe and San Francisco, both registered in the port of Santos.

By specific order from the navy command, given so that the traditional and ever-latent friendship with the Federative Republic of Brazil may not be at all affected, the destroyer Artigas did not open fire against the fishing boats, as it should have done in such a clear case as this of an attack on the wealth of our territorial sea.

BRIEFS

COST OF LIVING INCREASES--The Statistics and Census Department has reported that the cost of living in Uruguay experienced a 57.28 percent increase in 1977. This report confirmed a hike in inflation in comparison with 1976 during which there was a 39.95 percent increase in the cost of living. On the other hand, during the month of December there was a 1.48 percent increase in the cost of living in comparison to the 3.26 percent experienced in December 1976. As in previous years, housing was the sector experiencing the greatest hike with 66.43 percent. [Paris AFP in Spanish 1332 GMT 14 Jan 78 FY]

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